

CITY OF NORWALK,
CONNECTICUT



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DEPARTMENT OF FINANCE
125 EAST AVENUE
NORWALK, CONNECTICUT

CITY OF NORWALK, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2015



PREPARED BY THE FINANCE DEPARTMENT

DIRECTOR OF FINANCE
COMPTROLLER

ROBERT O. BARRON
FREDERIC J. GILDEN

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Introductory Section



DEPARTMENT OF FINANCE OFFICE OF THE DIRECTOR

LETTER OF TRANSMITTAL

December 29, 2015

Harry W. Rilling, Mayor
Members of the Common Council
Members of the Board of Estimate and Taxation

Citizens of the City of Norwalk:

I am pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Norwalk for the fiscal year ended June 30, 2015.

State law requires that every general purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP have issued an unmodified ("clean") opinion on the City of Norwalk's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

Norwalk was first settled in 1640 and, with a population of 88,145, is the sixth largest city in Connecticut. The city is located in Fairfield County in the Southwestern part of the State along Long Island Sound. Including a number of islands, the city covers 22.5 square miles. Per capita income in the county remains among the highest in the nation. While preserving its suburban character, the city is a significant commercial, industrial and service center. Many corporations, including the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB), have chosen to locate their headquarters in Norwalk. The city has also developed a tourist market centered on its outstanding harbor, islands, National Registry Mansions, museums and a Maritime Aquarium comprised of a nautical museum, aquarium and IMAX theater.

The city provides a full range of municipal services, including education, police and fire protection, public works and sanitation, health and social services, planning and development, and recreational/cultural services. A listing of city offices and further information about the city may be found on the city's official web site, www.norwalkct.org. The city employs over 600 full-time people to fulfill its municipal functions.

FACTORS AFFECTING FINANCIAL CONDITION

Norwalk is strategically located with a significant vibrant retail, corporate and tourism center in southern Connecticut. The city hosts many regional and corporate headquarters, but no one employer accounts for more than 3.2% of the total jobs and no one business comprises more than 2.9% of the city's total grand list. This diversity among employment sectors and industries creates great resilience for the city in economic downturns.

The development of the city's budget occurs within the larger context of the economic and fiscal climate. This climate affects both the revenues available to support the city budget, and the expenditure pressures faced by the city. The national economy is slowly recovering and its positive impact on the city's grand list is expected to take some time. Additionally, it is generally understood that it will be many years before the country recovers all of the jobs lost in the recession, and that economic growth is expected to be modest.

The impact of the recession on the Connecticut and Norwalk economies is clearly evident. The Connecticut Department of Labor, in its June 2015 release of Labor Force Data, reported that unemployed statewide at a rate of 5.7% and 2,281 unemployed in Norwalk at a rate of 4.4%. The recession has also had a severe impact on taxes collected by the State of Connecticut.

The state's long-term budget challenges are placing pressure for net budget reductions to municipalities in future years. The concern for Norwalk is that the state could reduce its commitment to municipal aid, leaving the city with the choice to either raise property taxes or cut services.

Fortunately, Norwalk's primary source of revenue—the property tax at 90.7% of total revenue—is not as susceptible to fluctuation as state aid during a recession. Of all the types of taxes, property taxes are the least susceptible to fluctuation. In good economic times, property tax revenues grow more slowly than income or sales taxes; but in a bad economy, property taxes are also the least likely to contract. This is especially true in the State of Connecticut, where real property is reassessed once every five years.

MAJOR DEVELOPMENT INITIATIVES

As the national economy improves, the City of Norwalk continues to serve as the epicenter for extensive new development, providing opportunities in all sectors. The city works together with applicants to expedite permitting and to ensure that needed infrastructure improvements are in place to accommodate new development and to mitigate any adverse impacts. These large-scale mixed-use developments are bringing new housing, jobs and retail to the city; making Norwalk a destination for residents and travelers alike.

2015 has been an exciting year as new developments break ground around the city and applications for new projects at the 95/7 property and in Norwalk Center move forward. A new mall is under consideration to replace the old 95/7 property project, a 1.1 million square foot development with office, residential, retail and restaurant space along the west side of the Norwalk Harbor just south of Interstate 95. The 95/7 property was acquired by General Growth Properties in 2013 and the new owner is proceeding with plans for a luxury shopping mall in an effort to reposition the property. In Norwalk Center, Highpointe Holdings LLC has submitted applications to construct two new mixed use developments at the intersection of Route 1 (North Avenue) at Main and High Streets. These developments will add ground floor retail with residential units above and include plans to widen Route 1 to improve traffic operations at this important crossroads in Norwalk Center. The application is expected to go to hearing in January of 2016.

Construction continues on four of the five blocks at Waypointe, a multi-block mixed-use development on West Avenue just north of I-95. Waypointe Midblock has leased the majority of its 362 units, opened two restaurants Sedona Taphouse and Colony Grill with more to follow later this year. This development represents an exciting step forward in the revitalization of Norwalk Center; bringing new residents and round-the-clock activity to the West Avenue corridor. North Block on Merwin Street is also nearing completion and will add another 98 residential units along with retail and restaurant space. Construction is nearly complete on Quincy Lofts with a new 6 story, 69 unit residential building at the corner of Orchard

and Quincy Street and well underway at The Berkeley with 129 multifamily units along with retail, restaurant and medical office space. Together these sites will bring over 1 million sq. ft. of new development to this 14 acre Design District Development Park. Work should begin on District Center in 2016 replacing the former Loehmann's with a new Crate and Barrel store, iPic Cinema and Blink Fitness center.

On Washington Street in historic South Norwalk, the recently completed Ironworks building is fully leased bringing new uses and vitality to the SoNo area including Harlan Publick and Washington Prime Restaurants along with thinqMac, The Stand and Saraswatti Yoga Joint. This award-winning mixed use building adds 108 new residential units to SoNo, providing a welcoming new presence particularly for visitors arriving across the bridge from East Norwalk. Further west on Washington Street, construction nearly complete on The Pearl, a new 66 unit multifamily building with 154 space valet parking garage located at 99 Washington Street. This infill development replaced an existing surface parking lot and creates additional housing in the district. The construction includes the rehabilitation of the adjacent historic building provides space for the Cask Republic Restaurant and upper story offices. The long-awaited SoNo Hotel, a new 110 room extended stay hotel at 43-47 South Main Street, will get underway as soon as The Pearl is completed.

New transit oriented developments (TOD) are underway at the South Norwalk train station and the Merritt 7 train station on the Danbury line. Merritt River Partners has submitted applications to construct Grist Mill Village, a 710 unit commercial planned residential development (PRD) located at three sites along Glover Avenue just south of Grist Mill Road. The PRD will replace several buildings including the former U.S. Surgical headquarters located at 150 Glover Ave. A public hearing is scheduled for 2016. Maritime Village, a new 68 unit TOD located at 17-19 Day Street, is scheduled to break ground in 2016 and will bring new infill development to a key site located across the street from Ryan Park. Trinity Washington Village, a partnership between the Norwalk Housing Authority and Trinity Financial, to rebuild the aging 136 units of public housing at Washington Village into a new 273 unit, mixed income development on 3 parcels along Day and Raymond Streets is working on obtaining final approvals from the State of Connecticut before construction begins in 2016. Near the Merritt 7 train station, a new 132 unit multifamily building at 1 Glover Avenue is ready to open and a new 53 unit mixed use development is now complete and occupied at 34 Oakwood Avenue. These developments have added nearly 200 residential units in close proximity to prime office space and the Danbury Line Rail station; providing convenient commuting options for employees at the nearby Merritt 7 Corporate Park and Towers at Merritt offices. At the adjacent Merritt 7 Corporate Park, Marcus Partners has completed impressive building upgrades and continues to maintain its roster of Class A corporate tenants including FactSet Research Systems, Emcor Group and the Financial Accounting Foundation, some of the nation's largest corporations. The adjacent Towers at Merritt with 650,000 square feet of Class A office space counts Xerox Corporation, Hewitt Associates and Diageo PLC among its corporate tenants.

Head of the Harbor is a new development located on the upper harbor in Norwalk Center that is scheduled to break ground in December; adding 60 units of housing, 5,000 sf of office and a public plaza and walkway to the Norwalk Harbor waterfront on Smith Street. Wall Street Place, a new mixed use development located at the corner of Wall and Isaacs Streets in Norwalk Center began construction on the first phase to add 101 residential units along with retail and restaurant uses and the city's first automated parking garage. The developers received financing commitments from the Connecticut Housing Finance Authority and the Connecticut Department of Economic and Community Development and expect to open in 2016.

On Connecticut Avenue, Lowe's Home Improvement Center opened in June 2015; adding a new 135,000 sq. ft. retail home improvement store and garden center. This represents the latest addition to Norwalk's thriving retail market. Lowe's joins Home Depot and Costco on Connecticut Avenue, the City's designated location for big-box retailers.

In East Norwalk, the new state of the art data center for Cervalis is operating at Norden Park providing secure data storage for Fortune 500 corporations and adding a low traffic generating use to this 78 acre industrial development park. AvalonBay Communities is now fully leased at its new 240 unit multifamily development on the rear parcel at 8 Norden Place. This is the second multifamily development by AvalonBay Communities in Norwalk and brings new residents to complement the existing employers

located at the data center and industrial park. Together these developments provide a complimentary mix of new commercial and residential development to this important 78 acre parcel.

Shelter Development is nearing completion on a new 90 unit congregate housing and assisted living facility at 162 New Canaan Avenue, the site of the former Quartette Club and plans to open later this year. This will enhance the senior living opportunities and providing new resources to house the region's aging population. Construction is nearing completion on a new 96,700 sq. ft. addition to Norwalk Hospital on Maple Street that includes an expanded Emergency Department, new surgical facilities, a state of the art cancer center and rehabilitation of adjacent medical office space. The new hospital facilities will be served by the recently completed 628 space parking garage constructed to accommodate the Hospital's future expansion plans. A variety of smaller commercial developments are also progressing. On Westport Avenue, Bender Plumbing opened its new 30,000 sq. ft. wholesale distribution facility in October. In Rowayton, construction is nearly complete on a new 8 unit multifamily development along the waterfront at 71-77 Rowayton Avenue. A new mixed use development is planned for 587 Connecticut Avenue which will add a 4 story, 50 unit multifamily building to the property along with a new 98,576 sq ft storage facility on the same site.

The Planning Commission continues to implement the recommendations contained in its 2008 Plan of Conservation and Development for Norwalk. The Plan's vision for new transit-oriented green development with active street level uses and upper floor housing located near existing MetroNorth transportation facilities is coming to fruition with the construction of 108 units at Ironworks, 66 units at The Pearl, 273 units for Washington Village and 68 units at Maritime Village at 19 Day St; all located just 2 blocks from the South Norwalk Railroad Station. The Commission approved various capital budget requests in 2015 to implement the recommended improvements in the Pedestrian and Bikeway Transportation Plan for Norwalk including the addition of new sidewalks and bike lanes throughout the City. The goal of preserving the character of Norwalk's neighborhoods and commercial areas while permitting compatible new development was implemented with the adoption of two new village districts, one for Golden Hill and one for the Silvermine Tavern. Work was recently completed on Cedar Street improvements in the Golden Hill neighborhood and is underway on new cluster housing to complement the historic buildings at the former Silvermine Tavern.

Given the activity emanating from the above developments, Norwalk anticipates that steady growth will continue in 2016. Over the past few years, the number of zoning permits issued has increased gradually, an indicator that development will continue to trend in a positive direction. To date this year, the number of zoning permits issued each month has equaled or exceeded the 23 year average for that month. This continues a 42 month trend of meeting or surpassing the moving average.

RELEVANT FINANCIAL POLICIES

The city has a long-term financial plan in its capital program. A five year program for infrastructure capital improvements is updated annually. The plan identifies anticipated funding sources. The city confines long-term borrowing primarily to capital improvements and capital projects financed through the issuance of bonds that will be financed for a period not to exceed the useful life of the project. In addition the city projects its operating budget for 3 years as well as anticipates its debt service and pension costs for multiple years.

Two of the major drivers of the cost control in the city budget have been medical insurance costs for both current and retired employees and contributions to pension plans. The Police contract that was ratified in fiscal year 2014-15 continued this effort by reducing retirement benefits for new hires, increasing pension contributions for all sworn staff and eliminating a deferred retirement option plan for new hires. These steps are being taken to control these significant costs.

In another effort to control costs, the budget formulation message to departments for the last five budget cycles has stated that no additional programs will be considered unless there are projected revenues to cover them. The effect of this policy will be to lower future years operating costs in the short and long-term.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Norwalk for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformity with the highest standards for presentation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the programs standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Norwalk has received a Certificate of Achievement for the last 24 consecutive years (fiscal years 1991 through 2014). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this report could not have been accomplished without the hard work and dedication of the finance department staff and the members of other departments who assisted in its compilation. Their invaluable assistance made the preparation of this report an easier task. I would also like to thank RSM US LLP our independent auditors, for their guidance and many helpful comments and suggestions both during the preparation of this report and throughout the year.

And finally, special acknowledgment and appreciation goes to those who have contributed to the progressive and financially sound operations of the city; that tribute, belongs to all city officials, city staff, and the community.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "R. Barron", with a long, sweeping flourish extending to the right.

Robert O. Barron
Director of Finance



Government Finance Officers Association

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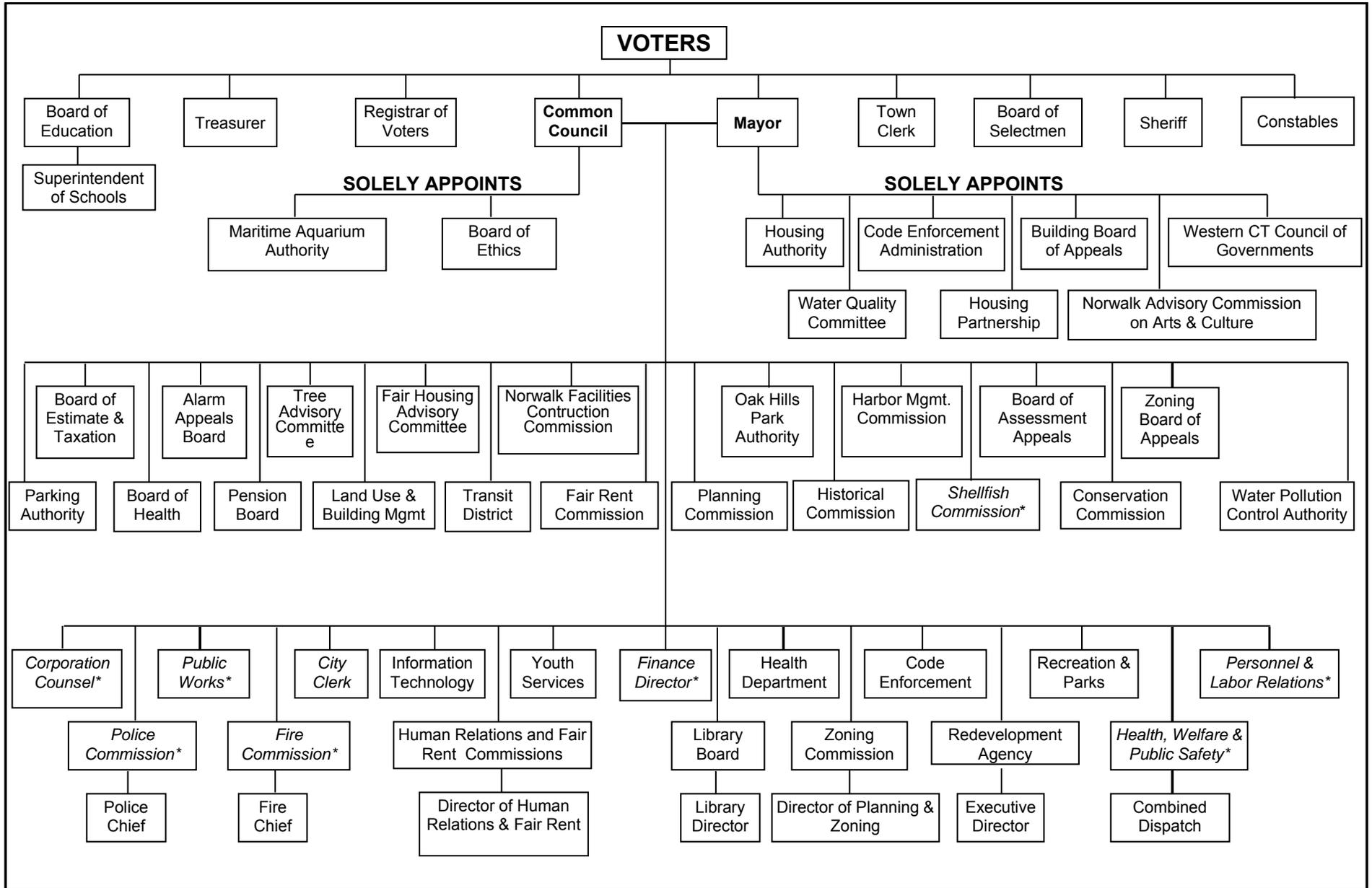
**City of Norwalk
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

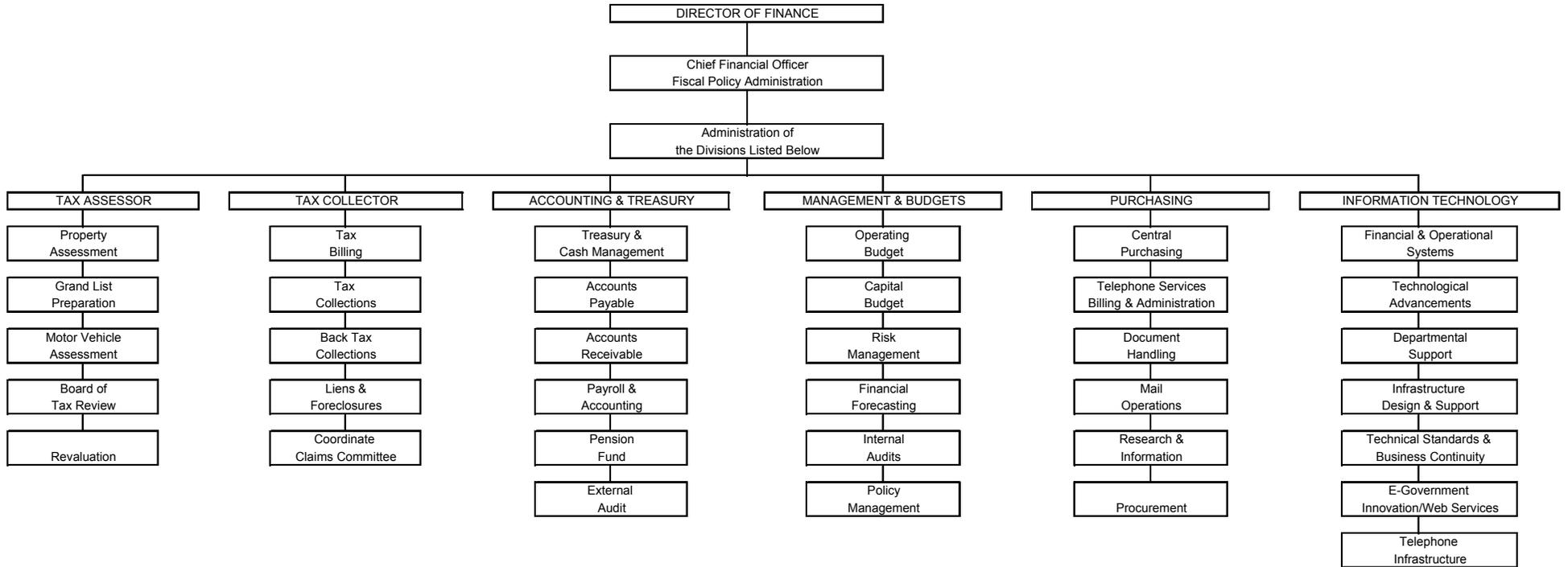
CITY OF NORWALK GOVERNMENT ORGANIZATION



All Boards, Commissions and Department Heads are chosen by the Mayor and require Common Council approval unless otherwise noted

** These Department Heads, Boards and Commissions are solely appointed by the Mayor*

FINANCE DEPARTMENT



**CITY OF NORWALK, CONNECTICUT
AS OF JUNE 30, 2015**

PRINCIPAL CITY OFFICIALS

OFFICE	NAMES	SELECTION/TERM
Mayor	Harry W. Rilling	Elected - 2 Years
Director of Finance	Thomas S. Hamilton	Appointed - Indefinite
Superintendent of Schools	James Connelly	Appointed - Interim
Corporation Counsel	Mario Coppola	Appointed - 2 Years

MEMBERS OF COMMON COUNCIL

	Douglas E. Hempstead Council President	
	Jerry Petrini Majority Leader	
	Travis J. Simms Minority Leader	
Richard R. Bonnenfant	Phaedrel L. Bowman	Glenn A. Iannacone
John E. Igneri	Bruce Kimmel	John Kydes
Michelle Maggio	David McCarthy	Eloisa M. Melendez
Shannon O'Toole Giandurco	Sharon Stewart	David Watts

MEMBERS OF THE BOARD OF ESTIMATE & TAXATION

Erik Anderson
Edwin Camacho
James Feigenbaum

Greg Burnett
James C. Clark
Anne Yang-Dwyer

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Financial Section



RSM US LLP

Independent Auditor's Report

To the Mayor and Members of
the Common Council
City of Norwalk, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Norwalk, Connecticut (the City) as of and for the fiscal year ended June 30, 2015, and the related notes thereto which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwalk, Connecticut as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – and amendment of GASB 68*, which resulted in the City restating net position for recognition of the City's pension related activity incurred prior to July 1, 2014. Our opinion is not modified with respect to this matter.

Other MattersRequired Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 5–13, the schedules of investment returns – city defined benefit pension plans on page 67, the schedule of employer contributions – city defined benefit pension plans on pages 68–69, the schedule of funding progress and schedule of employer contributions – OPEB on page 70, schedule of the City's proportionate share of the net pension liability – state teacher's retirement plan on page 71, schedule of changes in the City's net pension liability and related ratios on pages 72-73 and budgetary comparison information on pages 74-80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 29, 2015

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**MANAGEMENT'S DISCUSSION AND ANALYSIS – Unaudited
For the Year Ended June 30, 2015**

The City of Norwalk's (the "City") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter beginning on page i and the City's financial statements beginning on page 15.

FINANCIAL HIGHLIGHTS

- As of July 1, 2014, the City was required to implement GASB Statement No. 68 and its amendment, GASB Statement No. 71, related to pensions. These Statements required that the unrestricted net position of the government-wide financial statements as of July 1, 2014 be restated and decreased in the amount of \$57,876,858. The decrease did not result from a change in benefits offered to employees, only the presentation of the liability on the balance sheet of the government-wide financial statements.
- The City's net position increased by \$17.7 million or 4.9%. The governmental net position increased by \$14.3 million or 5.6% and the business-type net position increased by \$3.4 million or 3.3%.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reports a net change in fund balance of \$7.3 million or 19.5%.

USING THIS ANNUAL REPORT

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and fund) allow the user to address relevant questions and enhance the City's accountability. The report presents a comparative analysis of government-wide data.

Government-Wide Financial Statements

The government-wide financial statements (see pages 15 – 16) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The focus of the Statement of Net Position is designed to be similar to corporate bottom line results for the City and its governmental activities. This statement combines and consolidates governmental fund current financial resources (short-term spendable resources) with capital assets and long term obligations.

The Statement of Activities (see page 16) is focused on both the gross and net cost of various activities (including governmental and component unit) which are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services.

Governmental Activities reflects the City's basic services, including education, police and fire protection, public works, health and welfare, and recreational/cultural services. Property taxes, federal, state and other grants, charges for services and investment income finance the majority of these services.

Business-type activities encompass the Parking Authority and Water Pollution Control Authority. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types.

The governmental major funds (see pages 17 – 18) are presented on a sources and uses of liquid resources basis (modified accrual). This is the manner in which the financial plan is typically developed. The flow and availability of liquid resources is a clear and appropriate focus to analyze governmental type operations. Funds are established for various purposes and the fund financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Governmental Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) (see page 19). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the government-wide statements).

The fund financial statements also allow the government to address its Fiduciary (or Trust) Funds (see pages 23 – 24) summarized by type (pension, private purpose trusts and agency). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

Infrastructure Assets

The City has implemented GASB Statement No. 34 including reporting of all capitalized infrastructure owned by the City. This statement requires that these assets be valued and reported within the Governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has elected to depreciate these assets which should assist financial statement users in evaluating a local government and its performance over time.

GOVERNMENT-WIDE STATEMENT

Summary Net Position

Table 1
Summary Statement of Net Position (In Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 158,571	\$ 149,475	\$ 18,914	\$ 18,926	\$ 177,485	\$ 168,401
Capital assets	528,663	507,595	137,680	138,262	666,343	645,857
Total assets	687,234	657,070	156,594	157,188	843,828	814,258
Deferred pension expense	21,225	-	-	-	21,225	-
Deferred charge on refundings	5,228	6,083	-	-	5,228	6,083
Total deferred outflows of resources	26,453	6,083	-	-	26,453	6,083
Current and other liabilities	77,974	73,685	8,396	7,505	86,370	81,190
Noncurrent liabilities	345,541	265,005	44,101	49,011	389,642	314,016
Total liabilities	423,515	338,690	52,497	56,516	476,012	395,206
Deferred pension credit	2,525	-	-	-	2,525	-
Advance tax collections	16,366	9,622	-	-	16,366	9,622
Total deferred inflows of resources	18,891	9,622	-	-	18,891	9,622
Net position:						
Net investment in capital assets	311,537	299,719	91,928	87,455	403,465	387,174
Restricted	2,225	2,340	-	-	2,225	2,340
Unrestricted	(42,481)	12,782	12,169	13,217	(30,312)	25,999
Total net position	\$ 271,281	\$ 314,841	\$ 104,097	\$ 100,672	\$ 375,378	\$ 415,513

For more detailed information see the Statement of Net Position (page 15).

Impacts

There are seven transactions that affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Implementation of GASB Statement No. 68 and 71 – which significantly increased noncurrent liabilities and as a result decreased unrestricted fund balance.

Current Impacts

The major impact to net position in governmental activities was implementation of GASB No. 68 and 71. To get a better understanding to the changes to the Statement of Net Position it is helpful to look at various places in the Report. First attention is drawn to Note 1 on page 26. This shows that \$1,339,090 ($\$352,468 + \$1,063,452 - 76,830$) of net pension liability on June 30, 2014 is replaced by \$59,215,948. This intended to fully show pension obligations as required in GASB 68. Now refer to net pension obligations in Note 6 on page 41. This shows that at the end of Fiscal Year 2015, the City had a Net Pension Obligation of \$81,477,122. This can be further traced to pages 72 – 73 that shows the Net pension liability of each of the four City pension plans. This amount then is traced back to page 15 Statement of Net Position in liabilities. This also causes the significant negative unrestricted fund balance on the Statement of Net Position. Also note significant new deferred outflows and inflows of resources in governmental activities as described on page 54.

Other impacts for governmental activities were the issuance of \$14.5 million of new debt and the construction on major capital projects this year as well as the \$12.6 million increase in property taxes due to the increase in the mill rate in conjunction with normal tax collector office collection methods. The other major impacts were \$17.3 million of principal on debt paid this year and \$11.6 million of depreciation on capital assets. The change in net position in business-type activities was consistent as enterprise activities continued being able to collect revenues and control expenses.

Summary of Changes in Net Position

The following schedule compares the revenues and expenses for the current fiscal year.

	Governmental Activities		Business-Type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues:						
Charge for services	\$ 14,981	\$ 24,263	\$ 21,225	\$ 20,952	\$ 36,206	\$ 45,215
Operating grants and contributions	58,608	58,700	-	-	58,608	58,700
Capital grants and contributions	7,147	5,586	66	315	7,213	5,901
General Revenues:						
General property, taxes and assessments	290,950	281,452	-	-	290,950	281,452
Interest income (expense)	882	1,004	153	122	1,035	1,126
Miscellaneous	3,098	2,456	-	-	3,098	2,456
Other general revenues	5,770	5,902	-	-	5,770	5,902
Total revenues	381,436	379,363	21,444	21,389	402,880	400,752
Expenses						
Program Activities Primary Government:						
Governmental Activities:						
General government	18,319	13,959	-	-	18,319	13,959
Education	244,093	231,874	-	-	244,093	231,874
Public safety	48,207	48,734	-	-	48,207	48,734
Health and welfare	7,843	3,636	-	-	7,843	3,636
Public Works	25,729	38,122	-	-	25,729	38,122
Recreation, arts and cultural	15,217	11,365	-	-	15,217	11,365
Debt service	7,711	8,493	-	-	7,711	8,493
	367,119	356,183	-	-	367,119	356,183
Business-Type Activities:						
Parking Authority	-	-	5,939	5,673	5,939	5,673
Water Pollution Control Authority	-	-	12,080	11,947	12,080	11,947
	-	-	18,019	17,620	18,019	17,620
Total expenses	367,119	356,183	18,019	17,620	385,138	373,803
Increase in net position	14,317	23,180	3,425	3,769	17,742	26,949
Net Position, beginning, as restated (see note 1 of the basic financial statements)	256,964	291,661	100,672	96,903	357,636	388,564
Net Position, ending	\$ 271,281	\$ 314,841	\$ 104,097	\$ 100,672	\$ 375,378	\$ 415,513

Impacts

There are six basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on property tax revenue as well as public spending habits for building permits, and elective user fees.

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)– certain recurring revenues may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment Income – the City's investment portfolio includes Federal Agency paper which is effected by market conditions.

Expenses:

Increase in Insurance – changes in healthcare costs and changes in the insurance marketplace can have a material effect on these expenses.

Salary Increases (cost of living, merit and market adjustment) – the ability to attract and retain human and intellectual resources requires the City to pay competitive salaries with the marketplace.

Current Impacts

The major revenue impact in governmental activities was an increase in property tax measures to collect delinquent taxes. The major impact on expenses was due to implementation of GASB 68, where for the first time \$15.2 million of expenses associated with accrual of pension benefits is being reported. These expenses are allocated to the various clusters in the city organization. Major impacts in revenue and expenses in business-type activities included both the Water Pollution Control Authority and Parking Authority being able to collect revenues and control expenses.

THE CITY FUNDS

General Fund:

Comparing Fiscal Year 2015 to Fiscal Year 2014

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in required supplementary information) has achieved positive results due to additional property tax revenue as a result of a mill rate increase. The major impact on expenditures was in Education which resulted from controlling expenditures.

Comparing Original Budget to Final Budget

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in required supplementary information) reported no significant change in revenues. The expenditure budget changes were in one main area. At the end of Fiscal Year 2014, \$2.9 was reported as assigned Fund Balance. This balance was comprised primarily of education items which were then re-budgeted in Fiscal Year 2015.

Comparing Final Budget to Actual Results

As of the year-end, the General Fund (as presented on the Schedule of General Fund Revenues and Schedule of General Fund Expenditures, Encumbrances and Transfers Out in required supplementary information) revenues were increased due to increased property tax collection over above what was originally budgeted. Actual expenditures were \$3.2 million less than the final budget. A significant difference was in education with the school system under-spending its final budget by \$1.6 million. A significant portion of the variance was subsequently set aside for future use by the school system and is reflected in Assigned Fund Balance.

Capital Projects Fund:

Comparing Fiscal Year 2015 to Fiscal Year 2014

As of the year-end, the Capital Projects Fund (as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds on page 18) major impacts were Intergovernmental Revenues for redevelopment and public works projects from the state, issuance of bonds, and expenditures mainly for redevelopment, school construction, parks and public works projects.

Water Pollution Control Authority:

Comparing Fiscal Year 2015 to Fiscal Year 2014

As of the year-end, the Water Pollution Control Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds on page 21) reported fund net position of \$84.8 million which is \$3.4 million more than the beginning of the year (\$81.4). There were no major impacts.

Parking Authority:

Comparing Fiscal Year 2015 to Fiscal Year 2014

As of the year-end, the Parking Authority (as presented on the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds on page 21) reported a fund net position of \$19.3 million which is the same as the beginning of the year. There were no major impacts.

Nonmajor Governmental Funds:

Insurance Fund Net Position Reduction Plan

The plan to reduce the \$18.6 million fund net position of the Insurance Fund on page 83 has been formulated and is currently under review. The plan includes a number of parts that sets reserves remaining for each of the six subparts which are health benefits, workers' compensation, and liability, auto, and property for both the City and school system. In the first year, 20% of the excess from each category will be reduced from City contributions to reduce the position. These balances will then be reviewed each year prior to further reductions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of year-end, the City had \$666.3 million invested in a variety of capital assets, as reflected in the following schedule:

	Governmental Activities	Business-Type Activities	Total
Land	\$ 23,681,897	\$ 4,838,762	\$ 28,520,659
Land Improvements	12,327,431	51,532	12,378,963
Machinery and Equipment	19,167,881	359,370	19,527,251
Buildings and Improvements	259,748,427	116,089,977	375,838,404
Infrastructure	213,737,403	16,340,275	230,077,678
Total	\$ 528,663,039	\$ 137,679,916	\$ 666,342,955

	Governmental Activities	Business-Type Activities	Total
Beginning balance	\$ 507,595	\$ 138,262	\$ 645,857
Additions	32,684	3,239	35,923
Disposals	-	-	-
Depreciation	(11,616)	(3,821)	(15,437)
Total	\$ 528,663	\$ 137,680	\$ 666,343

Major capital activity during the year was for a various capital improvements. Capital assets are presented in more detail in Note 5.

Debt Outstanding:

As of year-end, the City had \$265.9 million in debt (bonds, notes, etc.) outstanding compared to the \$273.6 last year, a 2.8% net decrease (considering new borrowing and debt retirement). The following summarizes outstanding debt which is presented in more detail in Note 6.

During the year the City issued \$15.0 million in new general obligation bonds to finance school and infrastructure improvements. The City has an AAA bond rating from Fitch Investors Service and Standard and Poor's. The Moody's Investors Services rating is Aaa.

Table 5
Outstanding Debt, at Year-End
(In Thousands)
Governmental Activities

	<u>2015</u>	<u>2014</u>
Governmental		
General obligation bonds	\$ 216,346	\$ 219,174
	<u>216,346</u>	<u>219,174</u>
Business-Type		
Parking Authority-general obligation bonds	8,787	9,538
Water Pollution Control Authority - general obligation bonds and Clean Water Fund notes	40,725	44,919
	<u>49,512</u>	<u>54,457</u>
Total	<u>\$ 265,858</u>	<u>\$ 273,631</u>

ECONOMIC FACTORS

Norwalk's income stream is stable because it relies mainly on property taxes and has a diverse tax base. The City constantly monitors the stock market and its effect on future pension contributions and Intergovernmental Revenue due to the effect economic recession.

REQUEST FOR INFORMATION

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, contact the City's Finance Director on the 2nd floor of City Hall, 125 East Avenue, PO Box 5125, Norwalk, Connecticut 06856-5125.

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Basic Financial Statements

City of Norwalk, Connecticut

Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 71,454,053	\$ 5,276,449	\$ 76,730,502
Investments	61,025,521	9,584,865	70,610,386
Receivables, net of allowances for collection losses:			
Property taxes, net	3,547,645	-	3,547,645
Charges, net	-	281,782	281,782
Accounts, net	4,523,651	11,234	4,534,885
Federal and state governments	4,662,832	-	4,662,832
Inventories and prepaids	1,178,176	-	1,178,176
Advances to taxing districts	8,237,154	-	8,237,154
Restricted cash	3,941,508	3,759,823	7,701,331
Capital assets, not being depreciated	23,681,897	4,838,762	28,520,659
Capital assets, net of accumulated depreciation	504,981,142	132,841,154	637,822,296
Total assets	687,233,579	156,594,069	843,827,648
Deferred Outflows of Resources			
Deferred pension expense	21,225,136	-	21,225,136
Deferred charge on bond refundings	5,227,634	-	5,227,634
Total deferred outflows of resources	26,452,770	-	26,452,770
Liabilities			
Accounts payable and accruals	39,409,884	1,878,497	41,288,381
Unearned revenue	2,882,064	1,106,752	3,988,816
Long-term liabilities:			
Advances to taxing districts	10,697,293	-	10,697,293
Due within one year	35,682,409	5,411,246	41,093,655
Due in more than one year	334,843,054	44,100,944	378,943,998
Total liabilities	423,514,704	52,497,439	476,012,143
Deferred Inflows of Resources			
Deferred pension credit	2,524,515	-	2,524,515
Advance property tax collections	16,365,855	-	16,365,855
Total deferred inflows of resources	18,890,370	-	18,890,370
Net Position			
Net investment in capital assets	311,537,243	91,927,549	403,464,792
Restricted:			
General government	122,319	-	122,319
Public safety	68,425	-	68,425
Health and welfare	75,426	-	75,426
Public works	5,000	-	5,000
Education	1,951,406	-	1,951,406
Community grants	2,637	-	2,637
Unrestricted	(42,481,181)	12,169,081	(30,312,100)
Total net position	\$ 271,281,275	\$ 104,096,630	\$ 375,377,905

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Activities

For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ (18,318,537)	\$ 7,355,163	\$ 1,286,513	\$ -	\$ (9,676,861)	\$ -	\$ (9,676,861)
Education	(244,093,441)	1,162,310	53,957,963	-	(188,973,168)	-	(188,973,168)
Public safety	(48,207,353)	484,938	-	-	(47,722,415)	-	(47,722,415)
Health and welfare	(7,842,920)	642,744	3,363,770	-	(3,836,406)	-	(3,836,406)
Public works	(25,728,525)	4,284,696	-	7,146,843	(14,296,986)	-	(14,296,986)
Recreation, arts and cultural	(15,216,704)	1,050,964	-	-	(14,165,740)	-	(14,165,740)
Interest on debt	(7,711,306)	-	-	-	(7,711,306)	-	(7,711,306)
Total governmental activities	(367,118,786)	14,980,815	58,608,246	7,146,843	(286,382,882)	-	(286,382,882)
Business-type activities:							
Parking Authority	(5,938,657)	5,973,307	-	-	-	34,650	34,650
Water Pollution Control Authority	(12,080,480)	15,251,595	-	65,525	-	3,236,640	3,236,640
Total business-type activities	(18,019,137)	21,224,902	-	65,525	-	3,271,290	3,271,290
Total primary government	\$ (385,137,923)	\$ 36,205,717	\$ 58,608,246	\$ 7,212,368	(286,382,882)	3,271,290	(283,111,592)
			General revenues:				
			Property taxes		290,949,715	-	290,949,715
			Grants and contributions not restricted to specific programs		5,770,191	-	5,770,191
			Miscellaneous		3,097,534	-	3,097,534
			Unrestricted investment earnings		882,361	153,410	1,035,771
			Total general revenues		300,699,801	153,410	300,853,211
			Change in net position		14,316,919	3,424,700	17,741,619
			Net Position - Beginning, as restated - Note 1		256,964,356	100,671,930	357,636,286
			Net Position - Ending		\$ 271,281,275	\$ 104,096,630	\$ 375,377,905

See Notes to Financial Statements.

City of Norwalk, Connecticut

Balance Sheet - Governmental Funds
June 30, 2015

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
Assets				
Cash and cash equivalents	\$ 48,141,668	\$ 5,964,302	\$ 3,869,835	\$ 57,975,805
Restricted cash	-	3,941,508	-	3,941,508
Investments	35,587,866	346,673	3,941,492	39,876,031
Receivables (net of allowances for collection losses):				
Property taxes	3,526,350	21,295	-	3,547,645
Accounts receivable	12,361,363	-	322,326	12,683,689
State and federal governments	43,011	3,557,923	1,061,898	4,662,832
Inventories and prepaids	827	-	18,191	19,018
Total assets	\$ 99,661,085	\$ 13,831,701	\$ 9,213,742	\$ 122,706,528
Liabilities				
Accounts payable	\$ 24,994,212	\$ 5,646,595	\$ 2,917,631	\$ 33,558,438
Unearned revenues	-	-	2,882,064	2,882,064
Advances to taxing districts	10,697,293	-	-	10,697,293
Total liabilities	35,691,505	5,646,595	5,799,695	47,137,795
Deferred Inflows of Resources				
Unavailable revenues - advanced property tax collections	16,365,855	-	-	16,365,855
Unavailable revenues - other	2,816,096	21,295	-	2,837,391
Total deferred inflows of resources	19,181,951	21,295	-	19,203,246
Fund Balances				
Nonspendable	827	-	18,191	19,018
Restricted	-	2,960,601	2,295,621	5,256,222
Committed	1,000,000	5,203,210	1,100,235	7,303,445
Assigned	1,498,991	-	-	1,498,991
Unassigned	42,287,811	-	-	42,287,811
Total fund balances	44,787,629	8,163,811	3,414,047	56,365,487
Total liabilities and fund balances	\$ 99,661,085	\$ 13,831,701	\$ 9,213,742	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets among the assets of the City as a whole.	528,663,039
Deferred charge on bond refundings	5,227,634
Long-term assets are not available and therefore not recognized in the funds.	2,837,391
Accrued interest is not reported in the funds	(3,929,974)
Internal Service Funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	18,530,777
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(355,113,700)
Net deferred inflows and outflows related to pension liabilities which are not due and payable in the current period and therefore are not reported in the funds.	18,700,621

Net position of governmental activities \$ 271,281,275

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2015

	Major Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
Revenues				
Property taxes, interest and liens	\$ 294,521,123	\$ 6,783	\$ -	\$ 294,527,906
Intergovernmental	19,107,743	7,146,843	27,642,511	53,897,097
State on-behalf payments	23,132,048	-	-	23,132,048
Licenses, permits, fees and other	12,883,499	-	5,191,507	18,075,006
Interest	849,899	32,462	-	882,361
Total revenues	350,494,312	7,186,088	32,834,018	390,514,418
Expenditures				
Current:				
General government	9,131,031	-	61,010	9,192,041
Health and welfare	3,489,949	-	1,409,500	4,899,449
Education	190,790,463	-	29,208,988	219,999,451
Employee benefits	41,221,829	-	-	41,221,829
Public safety	43,589,237	-	3,536	43,592,773
Community grants	1,870,505	-	1,206,909	3,077,414
Public works	18,200,799	-	1,151,359	19,352,158
Recreation, arts and culture	8,203,261	-	229,772	8,433,033
Capital outlay	566,390	32,363,284	42,497	32,972,171
Debt service:				
Principal	17,328,205	-	-	17,328,205
Interest	8,426,534	103,645	-	8,530,179
Total expenditures	342,818,203	32,466,929	33,313,571	408,598,703
Excess (deficiency) of revenues over (under) expenditures	7,676,109	(25,280,841)	(479,553)	(18,084,285)
Other Financing Sources				
Transfers in (out)	(771,000)	771,000	-	-
Premium on bond issuance	398,913	-	-	398,913
Issuance of debt	-	14,500,000	-	14,500,000
Total other financing sources (uses)	(372,087)	15,271,000	-	14,898,913
Net change in fund balances	7,304,022	(10,009,841)	(479,553)	(3,185,372)
Fund Balances, Beginning	37,483,607	18,173,652	3,893,600	59,550,859
Fund Balances, Ending	\$ 44,787,629	\$ 8,163,811	\$ 3,414,047	\$ 56,365,487

See Notes to Financial Statements.

City of Norwalk, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ (3,185,372)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	21,068,302
Change in deferred charge on bond refundings	(855,860)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,578,191)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,872,025
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds at the time the liability is incurred.	(30,668,892)
The net revenue of certain activities of Internal Service Funds is reported with governmental activities.	8,964,286
Net deferred inflows and outflows related to pension liabilities which are not due and payable in the current period and therefore are not reported in the funds.	<u>18,700,621</u>
Change in net position of governmental activities	<u>\$ 14,316,919</u>

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
				Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Assets				
Current Assets				
Cash and cash equivalents	\$ 4,867,344	\$ 409,105	\$ 5,276,449	\$ 13,478,248
Charges receivable, net	281,782	-	281,782	-
Other receivables	9,595	1,639	11,234	77,116
Investments	8,698,923	885,942	9,584,865	21,149,490
Prepays	-	-	-	1,159,158
Total current assets	13,857,644	1,296,686	15,154,330	35,864,012
Noncurrent Assets				
Restricted cash	3,274,770	485,053	3,759,823	-
Capital assets, net	110,568,430	27,111,486	137,679,916	-
Total noncurrent assets	113,843,200	27,596,539	141,439,739	-
Total assets	127,700,844	28,893,225	156,594,069	35,864,012
Liabilities				
Current Liabilities				
Current maturities of bonds and notes payable	4,750,050	661,196	5,411,246	-
Accounts payable and accrued liabilities	1,656,013	222,484	1,878,497	1,921,472
Claims payable	-	-	-	5,196,299
Unearned revenue	531,031	575,721	1,106,752	-
Total current liabilities	6,937,094	1,459,401	8,396,495	7,117,771
Long-Term Liabilities				
Bonds and notes payable	35,974,921	8,126,023	44,100,944	-
Claims payable	-	-	-	10,215,464
Total long-term liabilities	35,974,921	8,126,023	44,100,944	10,215,464
Total liabilities	42,912,015	9,585,424	52,497,439	17,333,235
Net Position				
Net investment in capital assets	73,118,229	18,809,320	91,927,549	-
Unrestricted	11,670,600	498,481	12,169,081	18,530,777
Total net position	\$ 84,788,829	\$ 19,307,801	\$ 104,096,630	\$ 18,530,777

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Operating Revenues				
City and member's contributions	\$ -	\$ -	\$ -	\$ 56,089,451
Charges for services	15,251,595	5,973,307	21,224,902	-
Total operating revenues	15,251,595	5,973,307	21,224,902	56,089,451
Operating Expenses				
Administrative and operations	7,514,435	4,408,178	11,922,613	832,527
Depreciation	2,909,813	911,651	3,821,464	-
Salaries, benefits and claims	639,078	289,892	928,970	46,569,704
Total operating expenses	11,063,326	5,609,721	16,673,047	47,402,231
Operating income	4,188,269	363,586	4,551,855	8,687,220
Nonoperating Income (Expense)				
Investment income	140,894	12,516	153,410	277,066
Interest expense	(1,017,154)	(328,936)	(1,346,090)	-
Total nonoperating income (expense)	(876,260)	(316,420)	(1,192,680)	277,066
Net income before contributions	3,312,009	47,166	3,359,175	8,964,286
Capital contributions	65,525	-	65,525	-
Change in net position	3,377,534	47,166	3,424,700	8,964,286
Fund Net Position, Beginning	81,411,295	19,260,635	100,671,930	9,566,491
Fund Net Position, Ending	\$ 84,788,829	\$ 19,307,801	\$ 104,096,630	\$ 18,530,777

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water Pollution Control Authority	Parking Authority	Totals	Internal Service Fund
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 15,567,072	\$ 6,428,900	\$ 21,995,972	\$ 56,138,987
Payments to suppliers	(7,268,237)	(4,389,107)	(11,657,344)	-
Payments to employees/claims paid	(641,435)	(289,892)	(931,327)	(48,323,683)
Net cash provided by operating activities	7,657,400	1,749,901	9,407,301	7,815,304
Cash Flows From Capital and Related Financing Activities				
Principal payments on debt	(4,693,509)	(751,101)	(5,444,610)	-
Interest paid on debt	(1,011,455)	(365,999)	(1,377,454)	-
Proceeds from debt issuance	500,000	-	500,000	-
Purchase of property and equipment	(3,124,584)	(49,500)	(3,174,084)	-
Net cash used in capital and related financing activities	(8,329,548)	(1,166,600)	(9,496,148)	-
Cash Flows From Investing Activities				
Purchase of investments	2,334,622	237,945	2,572,567	6,099,844
Sale of investments	(2,367,538)	(587,784)	(2,955,322)	(10,120,398)
Investment income	140,894	12,516	153,410	277,066
Net cash provided by (used in) investing activities	107,978	(337,323)	(229,345)	(3,743,488)
Net (decrease) increase in cash and cash equivalents	(564,170)	245,978	(318,192)	4,071,816
Cash and Cash Equivalents				
Beginning	8,706,284	648,180	9,354,464	9,406,432
Ending	<u>\$ 8,142,114</u>	<u>\$ 894,158</u>	<u>\$ 9,036,272</u>	<u>\$ 13,478,248</u>
Reconciliation of Operating Income to Net Cash provided by Operating Activities				
Operating income	\$ 4,188,269	\$ 363,586	\$ 4,551,855	\$ 8,687,220
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	2,909,813	911,651	3,821,464	-
Changes in assets and liabilities:				
(Increase) decrease in charges receivable	(2,997)	-	(2,997)	49,536
Decrease (increase) in other receivables	79,254	455,593	534,847	-
Increase in prepaids	-	-	-	(493,639)
Increase (decrease) in accounts payable and accrued expenses	243,841	19,071	262,912	1,658,844
Decrease in claims and judgments payable	-	-	-	(2,086,657)
Decrease in unearned income	239,220	-	239,220	-
Net cash provided by operating activities	7,657,400	1,749,901	9,407,301	7,815,304
Noncash Investment Activities				
Net increase in fair value of investments	<u>\$ 113,193</u>	<u>\$ 11,528</u>	<u>\$ 124,721</u>	<u>\$ 132,215</u>
Noncash Financing Activities				
Contributions toward construction of capital assets	<u>\$ 66,100</u>	<u>\$ -</u>	<u>\$ 66,100</u>	<u>\$ -</u>

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2015

	Trust Funds	Private Purpose Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 7,971,755	\$ 66,356	\$ 1,563,802
Investments:			
U.S. government agency	1,258,508	-	-
Corporate bonds	15,750	-	-
Common stock	45,938,970	-	-
Hedge/alternative investments	117,435,061	-	-
Index funds	73,649,478	-	-
Commingled funds	95,508,512	-	-
Mutual funds	110,351,178	-	-
Certificates of deposit	1,720,317	-	-
Total investments	445,877,774	-	-
Secured lending transactions	12,662,044	-	-
Prepays	33,228	-	-
Total assets	466,544,801	66,356	1,563,802
Liabilities			
Secured lending transactions	12,662,044	-	-
Accounts payable	584,251	-	1,563,802
Total liabilities	13,246,295	-	1,563,802
Net Position - Restricted for Benefits	\$ 453,298,506	\$ 66,356	\$ -

See Notes to Financial Statements.

City of Norwalk, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2015

	Trust Funds	Private Purpose Trust Fund
Additions		
Contributions:		
Employer	\$ 27,200,957	\$ -
Plan members	3,797,083	-
Other	285,384	4,030
Total contributions	31,283,424	4,030
Investment income:		
Interest and dividends	7,278,402	-
Net appreciation in fair value of investments	5,838,608	-
Investment expense	(868,986)	-
Net investment income	12,248,024	-
Securities lending transactions income	28,429	-
Securities lending transactions expense	(2,961)	-
Net investment income - securities lending	25,468	-
Deductions		
Benefits paid	37,646,278	3,500
General and administrative	681,454	-
Total deductions	38,327,732	3,500
Net increase (decrease)	5,229,184	530
Net Position - Restricted for Benefits		
Beginning of year	448,069,322	65,826
End of year	\$ 453,298,506	\$ 66,356

See Notes to Financial Statements.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The City of Norwalk, Connecticut (the "City") is segregated into nine taxing districts based on the services provided to taxpayers. The following graph summarizes the services provided to each taxing district. General services include education, police protection, street repairs and maintenance and general government.

District	General	Garbage Collection	Sewers	Fire Protection	Street Lighting
1 st	X	X	X	X	
2 nd	X	X	X	X	
3 rd	X	X	X	X	
4 th	X	X	X	X	X
5 th	X			X	X
6 th	X				
7 th	X		X		
8 th	X	X		X	
9 th	X	X		X	

The first, second, third and sixth districts represent geographic subdivisions of the City. The remaining districts represent parts of the first, second, third and sixth districts that receive different combinations of services.

Reporting entity: The City has incorporated as a city on September 11, 1651. The City operates under a Mayor-Council form of government and provides a full range of services including public safety, roads, health, social services, culture and recreation, education, planning, development, zoning and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in *Government Accounting Standards Board (GASB) Statement No. 61 The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34* has been considered and as a result, there are no agencies or entities that should be included in the financial statements of the City.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Accounting standards adopted in the current year: The City adopted *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*, and its amendment, *GASB Statement No. 71*, both of which were implemented on July 1, 2014. These statements revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The implementation of this statement resulted in additional disclosures as shown in Note 8. The adoption of this standard also requires additional disclosures for the Teacher's Retirement Plan. The effects on the City's financials are as follows:

	<u>Governmental Activities</u>
Net position, June 30, 2014, as previously reported	\$ 314,841,214
Remove: June 30, 2014 net pension liability (asset) under GASB 27 before implementation of GASB Statement No. 68:	
Employees Pension Plan	352,468
Fire Benefit Fund	-
Police Benefit Fund	1,063,452
Food Service Employees' Fund	<u>(76,830)</u>
Total	<u>1,339,090</u>
Add: Implementation of GASB Statement No. 68:	
Beginning net pension liability for:	
Employees Pension Plan	(18,345,877)
Fire Benefit Fund	(12,179,275)
Police Benefit Fund	(27,989,295)
Food Service Employees' Fund	<u>(701,501)</u>
Total	<u>(59,215,948)</u>
Net Position, June 30, 2014 as restated	<u><u>\$ 256,964,356</u></u>

Details can be found in Note 8. With respect to the comparative information as of and for the year ended June 30, 2014, the 2014 balances could not be restated as information required to adopt the standard is not available to the City.

The City also adopted *GASB Statement No. 69, Government Combinations and Disposals of Government Operations*, was implemented on July 1, 2014. This statement provided guidance for determining whether a specific government combination is a government merger, acquisition, or a transfer of operations, which will improve accounting for mergers and acquisitions among state and local governments. The implementation of this statement had no impact on the City's financial statements.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements have been met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items, primarily fees and permits, are measurable and available when cash is received.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for and report resources used for the acquisition and construction of capital facilities, including those that are financed through Special Assessments.

Included in the Capital Projects Fund are sewer assessments which are levied in order to finance both the construction of new and the improvement to existing sewer systems.

The City reports the following major proprietary funds:

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Water Pollution Control Authority (WPCA) accounts for the operation of the City's wastewater divisions. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

The Parking Authority accounts for the operation of the City's parking facilities. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

Special Revenue Funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Internal Service Fund accounts for employee health insurance provided to other departments of the City, and the Board of Education as well as vehicle maintenance and fuel used by the City.

The Trust Funds account for the activities of the City's four defined benefit pension plans and its other post-employment benefit (OPEB) plan, which accumulate resources for pension and OPEB benefit payments to qualified employees.

The Private Purpose Trust Fund accounts for fifteen individual expendable trusts and two individual non-expendable trusts which provide awards and scholarships to students.

The Agency Funds account for monies held as a custodian for outside groups and agencies, and are used for senior activities, performance bonds, and pass-through grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services and other funds for premium costs. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations and maintenance, claims expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property taxes: Property taxes are assessed as of October 1 and are levied for on the following July 1. Real estate and personal property taxes are due in two installments on July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Liens are filed on delinquent real estate taxes within one year.

Cash equivalents: Cash equivalents are certificates of deposit with original maturities of three months or less, when purchased.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Investments: Investments are stated at fair value, based on quoted market prices, except as discussed below.

The *Pension Funds* allow for investments in certain alternative investments. Alternative investments may include private equity partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

The *Connecticut State Treasurer's Short-Term Investment Fund* is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares. The balance of the pooled fixed income investments were invested in the Cutwater-Connecticut CLASS Plus, a pool similar to a 2a-7 as defined by GASB 59, which operates under state statutes. These investments are stated at amortized cost. The value of the position in the pool is the same as the value of the pool shares.

Allowance for doubtful accounts: Accounts receivable, including property taxes receivable, for the primary government are reported net of an allowance for doubtful accounts, totaling approximately \$16,698,000 which relates to property taxes. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

Inventories and prepaid items: Inventory is valued at specific cost using the first-in/first-out method for the governmental funds. Inventory in the governmental funds consists of supplies and materials.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and enterprise fund financial statements.

Capital assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$1,000 for the Parking Authority) and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Land improvements	20
Infrastructure, public domain infrastructure and distribution and collection systems	10-65
Machinery and equipment	5-20
Licensed vehicles	8

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

Compensated absences: Vacation earned during the City's fiscal year ending June 30 may be taken through the following June of each year. In addition, certain employee groups may accumulate between 55 and 60 days of unused vested sick leave throughout their employment. Certain employee groups are also entitled to severance and longevity benefits. In governmental funds, a liability is recognized when amounts are due as a result of retirement or termination, whereas a liability is recognized as benefits are earned in the government-wide and proprietary fund financial statements. Obligations for accrued compensated absences have typically been liquidated from the General Fund.

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Long-term obligations: In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Bond principal payments are reported as expenditures. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Risks and uncertainties: The City invests in various securities, including commercial paper, government-sponsored enterprises, mutual funds and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position and activities.

Restricted assets: At June 30, 2015 the City had approximately \$7,701,000 in restricted assets. The amount relates to unspent bond proceeds, and advances to certain taxing districts. The restricted assets are offset with deferred inflows of resources for unavailable revenue and general obligation bonds, leaving no effect on fund balance in the governmental funds and governmental activities.

Net position: In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net investment in capital assets: This category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position or deficit: This category represents the net position of the City, which are not restricted. A deficit will require future funding.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund balance: In the governmental fund financial statements, the City reported the following governmental fund balances:

Nonspendable fund balance: These amounts cannot be spent because they are not in spendable form, or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The City of Norwalk Common Council is the highest level of decision-making authority for the City and can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the City's adopted policy, the Board of Estimate and Taxation has the authority to authorize the Director of Finance to assign amounts for a specific purpose.

Unassigned fund balance: The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the City's practice to use restricted resources first. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts.

Pension accounting:

Pension Trust Funds: employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement plan and additions to/deductions from the retirement plan's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Funding policy: The City is required to make annual contributions based on the actuaries' valuation.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

OPEB Trust: Employer contributions are recognized in the period in which the contributions are due, and the City has made a formal commitment to provide the contributions.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement plan and additions to/deductions from the retirement plan's fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Funding policy: The City makes annual contributions based on management's decisions, taking into account the latest actuarial valuation.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 216,345,930
Premiums, net of accumulated amortization	9,499,008
Net pension liability	81,477,122
Early retirement	394,625
Other post-employment obligation	29,410,931
Compensated absences	16,540,212
Pending litigation	1,200,000
Conservation and load management - municipal loan program	245,872
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	\$ 355,113,700

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities: The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

City of Norwalk, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

The details of this difference are as follows:

Capital outlay	\$ 32,683,978
Depreciation expense	<u>(11,615,676)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 21,068,302</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Long-term liabilities issued or incurred:	
Issuance of general obligation bonds and notes payable	\$ (14,500,000)
Premium from issuance of general bond obligations and notes payable	(398,913)
Premium amortization	1,442,733
Principal repayments:	
General obligation debt	<u>17,328,205</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 3,872,025</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (369,638)
Accrued interest	232,000
Net pension liability	(22,261,174)
Early retirement	94,190
Other post-employment obligation	(7,298,422)
Unsettled labor contract payable	380,024
Pending litigation	(1,200,000)
Conservation and load management - municipal loan program	<u>(245,872)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (30,668,892)</u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

Deposits: The City has a policy that deposits can include demand and savings accounts and certificates of deposits. The City also follows the State of Connecticut policy that requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The City does not have a custodial credit risk policy for investments. The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net position values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net position values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The State of Connecticut statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut State Treasurer's Short Term Investment Fund, and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan.

Interest rate risk: The City minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City, except for pension funds and insurance reserves, will not invest in instruments maturing more than five years from the date of purchase, and no more than 40% of the City's total portfolio shall be invested in instruments maturing more than two years from the date of purchase.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2015, approximately \$45,697,630 of the entity's bank balance of \$62,073,109 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments of the City consist of the following at June 30, 2015:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 93,461,976
State of Connecticut Short-Term Investment Fund	571,770
Total cash and cash equivalents	94,033,746
Investments	
General Fund	
U.S. government agencies	15,003,022 *
Mutual funds	76,476
Certificates of deposit	20,508,368
Total general fund	35,587,866
Non-Major Funds	
U.S. government agencies	1,661,642 *
Mutual funds	8,470
Certificates of deposit	2,271,380
Total non-major funds	3,941,492
Capital Projects Fund	
U.S. government agencies	146,149 *
Mutual funds	745
Certificates of deposit	199,779
Total capital projects fund	346,673
Internal Service Funds	
Common stock	3,645,530 *
U.S. government securities	2,901,088
U.S. government agencies	4,979,902 *
Mutual funds	1,352,024
Corporate bonds	1,463,673 *
Certificates of deposit	6,807,273
Total internal service fund	21,149,490

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Investments, Continued

WPCA	
U.S. government agencies	3,667,265 *
Mutual funds	18,693
Certificates of deposit	5,012,965
Total WPCA	<u>8,698,923</u>
Parking Authority	
U.S. government agencies	373,493 *
Mutual funds	1,904
Certificates of deposit	510,545
Total parking authority	<u>885,942</u>
Trust Funds:	
U.S. government agencies	1,258,508 *
Corporate bonds	15,750 *
Common stock	45,938,970 *
Mutual funds	110,351,178
Index funds	73,649,478
Hedge/alternative investments	117,435,061
Commingled funds	95,508,512
Certificates of deposit	1,720,317
Total trust funds	<u>445,877,774</u>
Total investments	<u>516,488,160</u>
Total cash, cash equivalents and investments	<u><u>\$ 610,521,906</u></u>

* These investments are uninsured and unregistered, with securities held by the counterparty, but in the City's or the pension fund's name.

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and cash equivalents	\$ 84,431,833
Investments	70,610,386
Total statement of net position	<u>155,042,219</u>
Fiduciary Funds	
Cash and cash equivalents	9,601,913
Investments	445,877,774
Total cash, cash equivalents and investments	<u>455,479,687</u>
	<u><u>\$ 610,521,906</u></u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	5-10 Years	Greater Than 10 Years
U.S. government securities	\$ 2,901,088	\$ -	\$ 2,085,100	\$ 340,724	\$ 475,264
U.S. government agencies	27,089,981	-	19,589,725	4,088,097	3,412,159
Pooled fixed income	571,770	571,770	-	-	-
Mutual fund-fixed income	61,028,118	9,611,929	13,108,840	8,464,600	29,842,749
Corporate bonds	1,479,423	15,750	329,272	804,335	330,066
Certificates of deposit	37,030,627	7,193,202	26,732,040	2,152,844	952,541
Total	\$ 130,101,007	\$ 17,392,651	\$ 61,844,977	\$ 15,850,600	\$ 35,012,779

Foreign currency risk: The City and the Pension Trust Fund do not have a policy for foreign currency risk. The City's and the Pension Trust Fund's exposure to foreign currency was one security valued in euros with a fair value of approximately \$2,879,000.

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City's operating fund will only purchase U.S. Governmental Agencies AA or above. The City allows its fixed income investment managers in its pension funds to purchase corporate bonds rated BBB- or better and does not have any guidelines for U.S. Government Agencies.

Presented below is the actual credit rating by Standard and Poor's as required for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Agencies	Pooled Fixed Income	U.S. Government Securities
AAA	\$ -	\$ -	\$ 571,770	\$ -
AA+	177,578	26,085,318	-	1,021,949
AA-	-	1,004,663	-	-
A+	166,376	-	-	-
A	166,374	-	-	-
A-	328,704	-	-	-
BBB+	315,386	-	-	-
BBB-	309,256	-	-	-
Unrated	15,749	-	-	1,879,139
	\$ 1,479,423	\$ 27,089,981	\$ 571,770	\$ 2,901,088

City of Norwalk, Connecticut

Notes to Financial Statements

Note 4. Unearned Revenue/Unavailable Revenue

Governmental funds report deferred inflow of resources from unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and unavailable revenue reported in the governmental funds and governmental activities were as follows:

	Unearned Revenue	Unavailable Revenue
General Fund		
Taxes and accrued interest on delinquent property taxes	\$ -	\$ 2,816,096
Advanced tax collections	-	16,365,855
Capital Projects		
Tax revenue	-	21,295
Nonmajor Funds		
Grants	2,882,064	-
Total	\$ 2,882,064	\$ 19,203,246

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions/ Transfers	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 23,629,897	\$ 52,000	\$ -	\$ -	\$ 23,681,897
Construction in progress	461,734	-	-	(461,734)	-
Total capital assets, not being depreciated	24,091,631	52,000	-	(461,734)	23,681,897
Capital assets, being depreciated					
Land improvements	17,401,688	4,023,234	-	-	21,424,922
Machinery and equipment	50,944,231	5,802,365	-	-	56,746,596
Buildings and improvements	354,045,164	10,648,391	-	-	364,693,555
Infrastructure	231,337,368	12,157,988	-	461,734	243,957,090
Total capital assets being depreciated	653,728,451	32,631,978	-	461,734	686,822,163
Less accumulated depreciation for					
Land improvements	8,505,812	591,679	-	-	9,097,491
Machinery and equipment	34,313,297	3,265,418	-	-	37,578,715
Buildings and improvements	98,628,860	6,316,268	-	-	104,945,128
Infrastructure	28,777,376	1,442,311	-	-	30,219,687
Total accumulated depreciation	170,225,345	11,615,676	-	-	181,841,021
Total capital assets, being depreciated, net	483,503,106	21,016,302	-	461,734	504,981,142
Governmental activities capital assets, net	\$ 507,594,737	\$ 21,068,302	\$ -	\$ -	\$ 528,663,039

City of Norwalk, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

	Beginning Balance	Additions/ Transfers	Disposal	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 4,838,762	\$ -	\$ -	\$ -	\$ 4,838,762
Total capital assets, not being depreciated	4,838,762	-	-	-	4,838,762
Capital assets, being depreciated:					
Land improvements	509,288	49,500	-	-	558,788
Machinery and equipment	13,354,774	10,665	-	-	13,365,439
Buildings and improvements	166,142,061	-	-	-	166,142,061
Infrastructure	28,677,753	3,178,869	-	-	31,856,622
Total capital assets, being depreciated	208,683,876	3,239,034	-	-	211,922,910
Less accumulated depreciation for:					
Land improvements	496,370	10,886	-	-	507,256
Machinery and equipment	12,874,922	131,147	-	-	13,006,069
Buildings and improvements	46,802,730	3,249,354	-	-	50,052,084
Infrastructure	15,086,270	430,077	-	-	15,516,347
Total accumulated depreciation	75,260,292	3,821,464	-	-	79,081,756
Total capital assets, being depreciated, net	133,423,584	(582,430)	-	-	132,841,154
Business-type activities capital assets, net	\$ 138,262,346	\$ (582,430)	\$ -	\$ -	\$ 137,679,916

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 463,858
Health and Welfare	46,983
Public Safety	1,698,908
Public Works	2,776,998
Education	5,638,760
Recreation, arts and cultural	990,169
Total depreciation expense – governmental activities	\$ 11,615,676
Business-type activities	
Parking Authority	\$ 911,651
Water Pollution Control Authority	2,909,813
Total depreciation expense – business-type activities	\$ 3,821,464

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance, as restated*	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 219,174,135	\$ 14,500,000	\$ (17,328,205)	\$ 216,345,930	\$ 19,134,110
Deferred amounts:					
For issuance premiums	10,542,828	398,913	(1,442,733)	9,499,008	-
Total bonds and notes payable	229,716,963	14,898,913	(18,770,938)	225,844,938	19,134,110
Compensated absences	16,170,574	11,475,108	(11,105,470)	16,540,212	11,105,000
Net pension liability	59,215,948	48,421,661	(26,160,487)	81,477,122	-
Other post-employment obligation	22,112,509	7,298,422	-	29,410,931	-
Early retirement accrual	488,815	153,310	(247,500)	394,625	198,000
Risk financing activities	17,498,420	44,108,845	(46,195,502)	15,411,763	5,196,299
Unsettled labor contract payable	380,024	-	(380,024)	-	-
Pending litigation	-	1,200,000	-	1,200,000	-
Conservation and load management - municipal loan program	-	294,578	(48,706)	245,872	49,000
Total other long term debt	115,866,290	112,951,924	(84,137,689)	144,680,525	16,548,299
Governmental activity long-term liabilities	\$ 345,583,253	\$ 127,850,837	\$ (102,908,627)	\$ 370,525,463	\$ 35,682,409

* Restated for implementation of GASB No. 68

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance	Due Within One Year
Business-type activities					
Bonds payable:					
General obligation bonds and notes payable	\$ 54,456,800	\$ 500,000	\$ (5,444,610)	\$ 49,512,190	\$ 5,411,246
Total bonds and notes payable	54,456,800	500,000	(5,444,610)	49,512,190	5,411,246
Business-type activity long-term liabilities	\$ 54,456,800	\$ 500,000	\$ (5,444,610)	\$ 49,512,190	\$ 5,411,246

Compensated absences: The obligation represents the employee (vested and nonvested) compensated absences expected to be paid in the future, aggregating approximately \$16,540,000 as of June 30, 2015. This amount is recorded in the government wide statements, and paid out of the General Fund.

Net pension liability: GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71, requires the City to recognize their long-term obligation for pension benefits as a liability. The net asset amount at June 30, 2015 was approximately \$398,248,000 and the net obligation amount was approximately \$479,725,000. These amounts are recorded in the government wide statements, and paid out of the General Fund.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

Other post-employment obligation: *GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, requires the City to accrue a net OPEB obligation. The amount at June 30, 2015 was approximately \$29,411,000. This amount is recorded in the government wide statements, and paid out of the General Fund.

Early retirement: The obligation represents the early retirement incentive payout for eligible teachers and administrators whose age and years of service total 80. Once eligible they receive annual stipend of \$3,000 or \$1,500 over a 3-10 year period. The amount accrued has been calculated at the discounted present value of the expected future benefit. The amount recorded at June 30, 2015 is approximately \$395,000 on the government-wide statements, and is paid out of the General Fund.

Unsettled labor contract payable: The obligation represents an accrual for wage increases in relation to unsettled labor contracts, approved but unpaid severance and other claims to be paid in the future when negotiations have been settled. There was no such payable as of June 30, 2015. This amount would be recorded in the government-wide statements, and would be paid out of the General Fund.

Pending litigation: This obligation represents one outstanding inverse condemnation claim that currently in appellate court. No such claim existed as of fiscal year ended June 30, 2014 explaining why all the activity occurred during fiscal year ended June 30, 2015.

Conservation load management – municipal load program: This obligation represents 5 outstanding loans from Eversource Utility Company to encourage conservation of gas and electricity. The City was required to perform energy efficiency measures as per the agreements and pay for a portion of the work with the rest a zero percent interest loan. These loan payments are included on monthly utility bills.

Bonded indebtedness: As of June 30, 2015, the outstanding general obligation (G.O.) bonded indebtedness of the City was as follows:

Governmental activities:
General Obligation Debt

Purpose	Date of Maturity	Interest Rate %	Amount
Capital improvement	01/15/2016	2.25-4.00	\$ 1,785,600
Capital improvement	07/01/2018	3.00-5.00	9,510,000
Capital improvement	07/01/2022	2.50-5.00	39,531,861
Capital improvement	07/01/2026	3.00-5.00	12,024,900
Capital improvement	07/01/2026	3.00-5.00	13,673,490
Capital improvement	07/01/2024	3.00-5.00	13,418,913
Capital improvement	08/01/2030	1.60-5.20	5,340,000
Capital improvement	08/01/2030	1.60-5.20	11,690,020
Capital improvement	07/01/2027	3.00-4.00	17,551,750
Capital improvement	08/15/2031	2.00-4.00	16,312,556
Capital improvement	07/15/2029	1.25-5.00	16,006,840
Capital improvement	08/15/2032	2.00-4.00	24,000,000
Capital improvement	08/15/2028	2.95-2.95	21,000,000
Capital improvement	08/15/2029	2.00-4.00	14,500,000
			\$ 216,345,930

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

Business-type activities:

Enterprise Debt

Purpose	Date of Maturity	Interest Rate %	Amount
Water Pollution Control Authority Bonds	01/15/2016	2.25-4.00	\$ 134,400
Water Pollution Control Authority Bonds	07/01/2022	2.50-5.00	1,620,924
Water Pollution Control Authority Bonds	07/01/2024	3.00-5.00	905,100
Water Pollution Control Authority Bonds	07/01/2026	3.00-5.00	835,500
Water Pollution Control Authority Bonds	07/01/2024	3.00-5.00	559,800
Water Pollution Control Authority Bonds	08/01/2030	1.60-5.20	(690,880)
Water Pollution Control Authority Bonds	07/01/2027	3.00-4.00	788,000
Water Pollution Control Authority Bonds	08/15/2031	2.00-4.00	474,000
Water Pollution Control Authority Bonds	07/15/2029	1.25-5.00	1,915,000
Water Pollution Control Authority Bonds	08/15/2032	2.00-4.00	2,000,000
Water Pollution Control Authority Bonds	08/15/2029	2.00-4.00	500,000
Water Pollution Control Authority Clean Water Fund Notes	09/30/2019	2.00	583,734
Water Pollution Control Authority Clean Water Fund Notes	07/01/2015	2.00	22,767
Water Pollution Control Authority Clean Water Fund Notes	12/31/2016	2.00	171,757
Water Pollution Control Authority Clean Water Fund Notes	01/31/2019	2.00	139,804
Water Pollution Control Authority Clean Water Fund Notes	01/31/2019	2.00	10,110,609
Water Pollution Control Authority Clean Water Fund Notes	01/31/2019	2.00	1,697,241
Water Pollution Control Authority Clean Water Fund Notes	07/01/2032	2.00	18,957,215
Parking Authority G.O. - Parking Fund	07/01/2022	2.50-5.00	522,208
Parking Authority G.O. - Parking Fund	07/01/2029	2.25-4.25	470,250
Parking Authority G.O. - Parking Fund	07/01/2026	3.00-5.00	5,571,010
Parking Authority G.O. - Parking Fund	07/01/2024	3.00-5.00	16,287
Parking Authority G.O. - Parking Fund	08/01/2030	1.60-5.20	930,860
Parking Authority G.O. - Parking Fund	08/15/2031	2.00-4.00	213,444
Parking Authority G.O. - Parking Fund	07/15/2029	1.25-5.00	1,063,160
			<u>\$ 49,512,190</u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

Long-term notes and bond obligations and compensated absences are expected to be repaid by future tax levies and grants available from the State. A summary of the Governmental Activities' long-term notes and bond principal maturities and related interest at June 30, 2015 is as follows:

Year Ended June 30,	General Obligation Debt	Total Interest Amount	Total Principal and Interest Amount
2016	\$ 19,134,110	\$ 8,077,843	\$ 27,211,953
2017	18,697,394	7,042,567	25,739,961
2018	17,158,873	6,288,063	23,446,936
2019	17,237,694	5,615,605	22,853,299
2020	16,373,457	5,027,862	21,401,319
2021-2025	74,356,442	16,339,115	90,695,557
2026-2030	46,013,483	4,801,169	50,814,652
Thereafter	7,374,477	295,951	7,670,428
	<u>\$ 216,345,930</u>	<u>\$ 53,488,175</u>	<u>\$ 269,834,105</u>

A summary of the City's business-type activities' long-term notes and bond principal maturities and related interest at June 30, 2015 is as follows:

Year Ended June 30,	WPCA Debt	Parking Authority Debt	Total Interest Amount	Total Principal and Interest Amount
2016	\$ 4,750,050	\$ 661,196	\$ 1,235,059	\$ 6,646,305
2017	4,545,428	617,912	1,136,566	6,299,906
2018	4,487,154	627,633	1,013,956	6,128,743
2019	4,554,254	642,073	891,259	6,087,586
2020	2,686,125	590,681	737,493	4,014,299
2021-2025	9,191,797	3,429,404	2,651,898	15,273,099
2026-2030	7,841,890	2,193,217	851,937	10,887,044
Thereafter	2,668,273	25,103	60,364	2,753,740
	<u>\$ 40,724,971</u>	<u>\$ 8,787,219</u>	<u>\$ 8,578,532</u>	<u>\$ 58,090,722</u>

In-substance defeasance – prior years: In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. There are no defeased bond balances outstanding as of June 30, 2015.

Authorized but unissued bonds: Under regulations issued by the Internal Revenue Service, effective March 2, 1992, in order for capital projects to be funded through tax-exempt debt, all projects must be appropriated and designated as being funded through debt prior to any expenditures on these projects.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

The City has authorized but unissued bonds relating to capital projects at June 30, 2015 as follows:

General purpose	\$ 22,251,000
Schools	10,065,330
Sewer	13,885,000
Urban Renewal	8,334,200
Total	\$ 54,535,530

Legal debt limit: The City's indebtedness (including authorized but not unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 664,403,898	\$ 183,330,551	\$ 481,073,347
Pension	885,871,864	-	885,871,864
Schools	1,328,807,769	94,607,275	1,234,200,494
Sewers	1,107,339,830	54,609,971	1,052,729,859
Urban renewal	959,694,520	21,747,016	937,947,504

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,067,034,350.

Subsequent event: On July 16, 2015, the City issued \$17,000,000 of general obligation bonds with an average interest rate of 3.51% to finance certain capital projects. The bonds will mature through 2030.

On September 23, 2015, the City refunded \$15,060,000 of general obligation bonds to refinance previous general obligation bonds at a lower interest rate. The bonds will mature through 2031.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 6. Long-Term Liabilities (Continued)

Capital projects: A summary of the uncompleted capital projects of the City at June 30, 2015 follows:

	Project Authorizations (a)	Expenditures Fiscal 2015 (b)	Expenditures Cumulative (c)	Unexpended Authorization Balances
Department of Public Works				
Sanitary sewers	\$ 12,088,564	\$ 2,758,662	\$ 4,561,637	\$ 7,526,927
Drainage	5,324,095	1,131,962	1,754,049	3,570,046
Roads and highways	26,081,696	7,368,112	15,440,161	10,641,535
Other	1,804,506	1,004,099	1,008,879	795,627
Police Department	313,000	51,698	135,868	177,132
Fire Department	16,450,000	266,022	14,250,975	2,199,025
Parks and Recreation	17,186,216	7,429,241	11,564,385	5,621,831
Board of Education	23,546,849	10,681,583	15,692,974	7,853,875
Redevelopment agency	49,380,064	3,931,367	37,646,710	11,733,354
Traffic and parking	9,000,586	329,606	5,973,038	3,027,548
Total	\$ 161,175,576	\$ 34,952,352	\$ 108,028,676	\$ 53,146,900

(a) Represents cumulative Capital Budgets for projects that remain open at June 30, 2015.

(b) Represents current year expenditures for projects that were open at June 30, 2015.

(c) Represents aggregate expenditures for projects that were open at June 30, 2015.

Based on the latest estimates of costs to complete the projects, the City does not anticipate the necessity to increase the related authorizations.

Note 7. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued in the Internal Service Fund for all claims, of approximately \$15,412,000. Based upon the advice of the City Corporation Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans

Employee Pension Plans:

Plan descriptions:

The City is the administrator of four separate single-employer defined benefit pension plans that were established to provide pension benefits for its police, firefighters, food service, and other full-time employees other than teachers. The City of Norwalk Charter and ordinances established the four Pension Plans. For the Police, Fire and Food Service Plans, amendments to the provisions for benefits and contributions are made as part of union negotiations and are included in the Union Contracts. Amendments are then approved by Norwalk Common Council for Police and Fire and the Norwalk Board of Education for Food Service. There is a coalition of unions for the Municipal Employees Pension Plan (the "Coalition"). Members of the Coalition must ratify any changes including benefits and contributions and then the Norwalk Common Council has to approve the agreement. All four plans are administered by the Municipal Employees Pension Board. The Municipal Employees Pension Board (the "Board") is appointed by the Mayor and Common Council and is comprised of a maximum of twelve members who serve five-year terms. The plans are considered to be part of the City's financial reporting entity and are included in the City's basic financial statements as pension trust funds. Administrative fees are paid through the plans. The plans do not issue separate, stand-alone, financial reports. For the year ended June 30, 2015, the actuarial valuation date utilized was July 1, 2014.

At the last actuarial valuation date, July 1, 2014, membership consisted of:

	Police	Fire	Employees	Food Service
Retirees, disabled members and beneficiaries currently receiving benefits	200	156	648	32
Terminated employees entitled to benefits but not yet receiving them	-	1	111	7
Active members	166	127	586	70
Deferred retirement option program members	9	7	-	-
	<u>375</u>	<u>291</u>	<u>1,345</u>	<u>109</u>

Police Benefit Fund: The City of Norwalk Police Benefit Fund ("PB Fund") provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years of service. Members who retire after age 48 with 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of final average salary, for each year of service (maximum benefit of 75% of base salary plus worker's compensation). Benefits being paid to retired members are increased 1.5% per year beginning at age 62. For retirements after July 1, 1998, the annual increase may begin at age 55. At the member's death, the benefit is payable to the surviving spouse for the spouse's lifetime, provided the spouse does not remarry, or the member is not married, the accrued benefit at death is payable to any children until they reach age 16.

Police employees are required to contribute 8% of their base pay to the PB Fund. If a police officer leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Police employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the PB Fund for the year ended June 30, 2015 was approximately \$12,880,000.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Fire Benefit Fund: The City of Norwalk Fire Benefit Fund ("FB Fund") provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years. Eligibility is dependent on when the employee was hired:

- Date of hire prior to July 1, 1973: Any age with 25 years of service.
- Date of hire on or after July 1, 1973: Minimum age of 48 with 20 years of service.
- Date of hire on or after January 1, 2013: Later of age 52 or 25 years of service.

The benefit owed to the employee upon is also dependent on when the employee was hired:

- Date of hire prior to July 1, 1973: 50% of final average salary.
- Date of hire on or after July 1, 1973: 2.5% of final average salary per year of service with a maximum benefit of 75% of final average salary. There is a minimum \$700 monthly benefit for all pre-1986 retirees.
- Date of hire on or after January 1, 2013: 2.25% of final average salary per year of service with a maximum benefit of 60% of final average salary.

At the member's death, the benefit is payable to the surviving spouse for the spouse's lifetime, provided the spouse does not remarry, or the benefit is payable to any children until they reach the age of 18.

Firefighters are required to contribute 9% of their base pay to the FB Fund. If a firefighter leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its firefighters. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the FB Fund for the year ended June 30, 2015 was approximately \$10,149,000.

Employees' Pension Plan: The Norwalk City Employees' Pension Plan ("EPP") provides retirement benefits as well as death and disability benefits. Benefits vest after 5 years of service. Members who retire after age 55 with 10 years of services or after age 62 with 5 years of service are entitled to an annual retirement benefit, payable monthly for life (with 60 months guaranteed), in an amount equal to 2% of final average salary, for each year of service (maximum 35 years). Benefits being paid to retired members are increased 1.5% per year.

Members are required to contribute 4.5% of their base pay to the EPP. No contributions are required after 35 years of service. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its members. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the EPP for the year ended June 30, 2015 was approximately \$35,518,000.

Food Service Employees' Pension Plan: The City of Norwalk Food Service Employees' Pension Plan ("FSEPP") provides retirement benefits as well as death benefits. Benefits vest after 5 years of service. Members who retire after age 55 with 10 years of service or after age 65 with 5 years of service are entitled to an annual retirement benefit, payable monthly for life (with 60 months guaranteed), in an amount from 1.0% through 2% of final salary times years and months of credited service, depending on date of hire.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Food service employees are required to contribute 3.0% of their base pay to the FSEPP (maximum 30 years or age 70 with 5 years). If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions without interest thereon are refunded. The City is required to contribute the remaining amounts necessary to fund the benefits for its Food Service employees. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The City's payroll for employees covered by the FSEPP for the year ended June 30, 2015 was approximately \$1,057,000.

Deferred Retirement Option Program (DROP): The PB Fund and FP Fund offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed a specific amount of years of service. During the DROP period, pension payments will be accounted for in the pension plan and paid out at the end of the DROP. The FP Fund has eliminated the DROP for employees hired after July 1, 2012. The PB Fund has eliminated the DROP for employees hired after January 1, 2015

**Trust Funds
Statement of Plan Net Position
June 30, 2015**

	Pension Trust Funds					Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	OPEB Trust Fund	
Assets						
Cash and cash equivalents	\$ 2,818,137	\$ 1,524,937	\$ 1,649,770	\$ 25,004	\$ 1,953,907	\$ 7,971,755
Investments, at fair value:						
U.S. Government agency	-	-	-	-	1,258,508	1,258,508
Corporate bonds	7,483	3,951	4,233	83	-	15,750
Common stock	21,825,885	11,523,115	12,347,711	242,259	-	45,938,970
Mutual funds	28,423,422	15,006,339	16,080,174	315,490	50,525,753	110,351,178
Hedge/alternative investments	55,794,114	29,456,859	31,564,794	619,294	-	117,435,061
Commingled funds	45,376,677	23,956,906	25,671,265	503,664	-	95,508,512
Index funds	34,991,316	18,473,889	19,795,882	388,391	-	73,649,478
Certificates of deposit	-	-	-	-	1,720,317	1,720,317
Security lending transactions	6,015,815	3,176,088	3,403,369	66,772	-	12,662,044
Prepays	-	-	-	-	33,228	33,228
Total assets	195,252,849	103,122,084	110,517,198	2,160,957	55,491,713	466,544,801
Liabilities						
Security lending transactions	6,015,815	3,176,088	3,403,369	66,772	-	12,662,044
Accounts payable	-	-	-	-	584,251	584,251
Total liabilities	6,015,815	3,176,088	3,403,369	66,772	584,251	13,246,295
Net position- restricted for benefits	\$ 189,237,034	\$ 99,945,996	\$ 107,113,829	\$ 2,094,185	\$ 54,907,462	\$ 453,298,506

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Statement of Changes in Plan Net Position
Year Ended June 30, 2015

	Pension Trust Funds				OPEB Trust Fund	Total Trust Funds
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund		
Additions						
Contributions						
Employer	\$ 4,911,368	\$ 2,547,300	\$ 4,080,602	\$ 134,962	\$ 15,526,725	\$ 27,200,957
Plan members	1,585,785	797,376	978,138	35,225	400,559	3,797,083
Other revenue	-	-	-	-	285,384	285,384
Total contributions	6,497,153	3,344,676	5,058,740	170,187	16,212,668	31,283,424
Investment income						
Interest and dividends	2,453,858	1,288,509	1,379,135	27,279	2,129,621	7,278,402
Net appreciation in fair value of investments	2,801,650	1,499,201	1,584,758	31,154	(78,155)	5,838,608
Investment expense	(414,739)	(217,336)	(232,301)	(4,610)	-	(868,986)
Net investment income	4,840,769	2,570,374	2,731,592	53,823	2,051,466	12,248,024
Securities lending transaction income	13,507	7,131	7,641	150	-	28,429
Securities lending transaction expense	(1,406)	(743)	(796)	(16)	-	(2,961)
Net investment income-securities lending	12,101	6,388	6,845	134	-	25,468
Deductions						
Benefits paid	12,998,030	5,859,035	7,142,657	160,765	11,485,791	37,646,278
General and administrative	62,221	31,688	33,126	7,713	546,706	681,454
Total deductions	13,060,251	5,890,723	7,175,783	168,478	12,032,497	38,327,732
Net increase	(1,710,228)	30,715	621,394	55,666	6,231,637	5,229,184
Net position- restricted for benefits						
Beginning of year	190,947,262	99,915,281	106,492,435	2,038,519	48,675,825	448,069,322
End of year	\$ 189,237,034	\$ 99,945,996	\$ 107,113,829	\$ 2,094,185	\$ 54,907,462	\$ 453,298,506

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2015.

Asset Class	Pension Funds Allocation %
Core fixed income	20.00%
Inflation-indexed bonds	6.00%
Large cap US equities	14.69%
Mid cap US equities	8.29%
Small cap US equities	4.13%
Developed foreign equities	17.82%
Emerging market equities	4.19%
Private equity	9.09%
Hedge funds / absolute return	6.79%
Real estate	6.00%
Commodities	3.00%

Rate of return: For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund
Rate of return	2.57%	2.61%	2.60%	2.58%

Net pension liability of the City: The components of the net pension liability of the City at June 30, 2015 were as follows:

Net Pension Liability as of June 30, 2015	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	Total
Total pension liability	\$ 217,663,017	\$ 117,809,329	\$ 141,404,292	\$ 2,848,272	\$ 479,724,910
Plan fiduciary net position	189,209,952	99,894,614	107,043,062	2,100,160	398,247,788
Net pension liability	28,453,065	17,914,715	34,361,230	748,112	81,477,122
Plan fiduciary net position as a percentage of total pension liability	86.93%	84.79%	75.70%	73.73%	83.02%

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2014, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2015. There have been no significant changes between the valuation date and the fiscal year end.

	Employees' Pension Plan	Police Benefit Fund	Firemen's Benefit Fund	Food Service Pension Plan
Valuation date	July 1, 2014	July 1, 2014	July 1, 2014	July 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining amortization period	22 years	22 years	22 years	22 years
Asset valuation method	Expected actuarial value plus/minus 20% of the difference between market value over 5 years	Expected actuarial value plus/minus 20% of the difference between market value over 5 years	Expected actuarial value plus/minus 20% of the difference between market value over 5 years	Expected actuarial value plus/minus 20% of the difference between market value over 5 years
Actuarial assumptions:				
Investment rate of return	7.625%	7.625%	7.625%	7.625%
Projected salary increases	Graded: 2.5% to 7.8%	Graded: 2.5% to 7.8%	Graded: 2.5% to 7.8%	Graded: 2.5% to 7.8%
Cost of living adjustments	1.50%	1.50%	1.50%	N/A
Inflation	3.00%	3.00%	3.00%	3.00%

Mortality rates were based on the RP-2000 Mortality Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Concentrations: The pension plans held the following investments, excluding mutual funds and investments issued or explicitly guaranteed by the United States government, representing 5% or more of the pension trust funds' fiduciary net position as of June 30, 2015:

Investment	Fair Value at June 30, 2015
Northern Trust S&P 500 Index Fund - Non Lending	\$31,926,351
Silchester International Investors International Value Equity Group Trust	35,947,204
Artisan International Growth Trust	37,921,933
Blackstone Park Avenue Non-taxable Fund L.P.	28,989,263
Metropolitan West Total Return Bond Plan (P Shares)	37,087,683
PIMCO All Asset Fund	22,658,326
Russell 1000 Value Index Fund	20,027,456
WTC-CIF Opportunistic International Growth Portfolio	21,524,696
Prudential Fixed Income Core Conservative	37,702,273

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2014, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Core Fixed Income	20.00%	2.00%	0.40%
Inflation-Indexed Bonds	6.00%	2.00%	0.12%
Large Cap US Equities	14.69%	4.75%	0.70%
Mid Cap US Equities	8.29%	5.50%	0.46%
Small Cap US Equities	4.13%	5.50%	0.23%
Developed Foreign Equities	17.82%	5.25%	0.94%
Emerging Market Equities	4.19%	6.00%	0.25%
Private Equity	9.09%	5.50%	0.50%
Hedge Funds / Absolute Return	6.79%	2.75%	0.19%
Real Estate (Property)	6.00%	5.00%	0.30%
Commodities	3.00%	5.00%	0.15%
	100.00%		4.24%
Long-Term Inflation Expectation			3.00%
Long-term expected nominal return			7.24%

Discount rate: The discount rate used to measure the total pension liability was 7.625%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of estimates used in calculating the net pension liability: The following presents the net pension liability of the City, calculated using the discount rate of 7.625%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the rate utilized:

	1% Decrease 6.625%	Current Discount Rate 7.625%	1% Increase 8.625%
Net Pension Liability			
Employees Pension Plan	\$ 51,273,604	\$ 28,453,065	\$ 8,938,188
Fire Benefit Fund	31,772,581	17,914,715	6,332,008
Police Benefit Fund	51,945,250	34,361,230	19,792,695
Food Service Employees' Fund	1,031,658	748,112	503,693

For the fiscal year ended June 30, 2015, the total recognized pension expense is:

Employees Pension Plan	\$ 6,371,589
Fire Benefit Fund	3,487,104
Police Benefit Fund	5,228,288
Food Service Employees' Fund	147,804
Total	\$ 15,234,785

As of June 30, 2015, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources				Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	
Changes of assumptions	\$ 2,040,324	\$ 1,313,676	\$ 1,672,437	\$ 27,614	\$ 5,054,051
Net difference between projected and actual earnings on pension plan investments	7,725,126	4,036,809	4,325,840	83,310	16,171,085
Total	9,765,450	5,350,485	5,998,277	110,924	21,225,136
	Deferred Inflows of Resources				Total
	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund	
Differences between expected and actual experience	(1,118,483)	(554,849)	(774,028)	(77,155)	(2,524,515)
Total	(1,118,483)	(554,849)	(774,028)	(77,155)	(2,524,515)
Net deferred outflows of resources	\$ 8,646,967	\$ 4,795,636	\$ 5,224,249	\$ 33,769	\$ 18,700,621

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ended June 30, 2015:

	Employees Pension Plan	Fire Benefit Fund	Police Benefit Fund	Food Service Employees' Fund
2016	\$ 2,187,349	\$ 1,152,376	\$ 1,241,891	\$ 11,980
2017	2,187,349	1,152,376	1,241,891	11,980
2018	2,187,349	1,152,376	1,241,891	11,980
2019	2,084,920	1,152,377	1,241,891	11,982
2020	-	143,174	160,431	(8,847)
Thereafter	-	42,957	96,254	(5,306)
Total	\$ 8,646,967	\$ 4,795,636	\$ 5,224,249	\$ 33,769

Securities lending transactions: State statutes and the Board, on behalf of the Plans, has authorized the Plans to enter into agreements with The Northern Trust Company (Northern Trust) for the lending of the Plans' securities for predetermined times and fees, for collateral that may include cash, U.S. government securities and irrevocable letters of credit.

During the year ended June 30, 2015, Northern Trust loaned securities held by Northern Trust, as a custodian, and received United States dollar cash and U.S. securities as collateral. Northern Trust did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading value was in the United States, 102 percent of the fair market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not in the United States, 105 percent of the fair market value of the loaned securities. The market value held and market value of securities on loan for the Plans as of June 30, 2015 were as follows:

Collateral Type	Market Value June 30, 2015	Collateral Value June 30, 2015	Collateral Percentage
Cash	\$ 12,398,010	\$ 12,662,044	102%

The Board did not impose any restrictions during the year on the amount of loans that Northern Trust made on their behalf. There were no failures by any borrowers to return the loaned securities or pay distributions thereon during the year. Moreover, there were no losses during the year resulting from a default of the borrowers or Northern Trust. Northern Trust is contractually obligated to indemnify the Plans for a borrower's failure to return the securities or make the distributions as a result of Northern Trust's failure to make a reasoned determination of creditworthiness of the borrower, its failure to demand adequate and appropriate collateral on a prompt and timely basis, or its failure to perform its duties and responsibilities under the agreement and applicable law.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Cash collateral has been placed in investments that generally match the maturities of the secured loans. The Plans do not have any credit risk on the securities lending transactions as of June 30, 2015.

Connecticut State Teachers' Retirement System:

Description of system: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System (the "System") is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained in writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 6.00% of their annual earnings to the plan. The City does not and is not legally responsible to contribute to the plan.

Summary of significant accounting policies: The City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the System by the State of Connecticut. Such on-behalf payments were approximately \$21,802,000 for the year ended June 30, 2015.

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in Connecticut General Statutes (CGS) Sections 10-1831 and 10-183z.

Participants are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2014/2015 school year, \$6,265,399 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$86,419,000.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Actuarial assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00 percent
Salary increases, including inflation	3.75 - 7.00 percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.50 percent

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries. The Scale AA projection to 2019 of the RP-2000 mortality rates with two-year setbacks continues to provide a sufficient margin in the assumed rates of mortality to allow for additional improvement in mortality experience. The post-retirement mortality rates are multiplied by 75% for death in active service. The post-retirement mortality rates are set forward ten years for the period after disability retirement.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income fund	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market debt fund	5.0%	4.8%
High yield bond fund	5.0%	3.7%
Real estate fund	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
	100.00%	

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

Discount rate: The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the state’s proportionate share of the net pension liability allocated to the City, calculated using the discount rate of 8.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent) or 1-percentage-point higher (9.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	7.50%	8.50%	9.50%

State's proportionate share of the net pension liability associated with the City

\$	277,267,459	\$	217,270,209	\$	166,270,769
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Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the net pension liability that was associated with the City was \$217,270,209 and 100% of the collective net pension liability is allocated to the State.

June 30, 2014 is the actuarial valuation date upon which the total pension liability is based. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The City recognized the total pension expense associated with the City as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the City. For the fiscal year ended June 30, 2015, the City recognized \$21,802,000 as the amount expended by the State on behalf of the City to meet the State’s funding requirements.

City of Norwalk Retirement Plan - Defined Contribution Pension Plan:

Description of the plan: As part of the July 1, 2012 Pension Coalition Agreement, management took steps to reduce the City’s cost of providing retirement benefits for future employees that were previously covered by the EPP. To help mitigate future increases in retirement costs, the Agreement approved by the City Common Council required all full-time employees other than sworn police officers, firefighters, food service, grant employees and certified teachers and administrators hired after July 1, 2012 to participate in a 401(a) defined contribution plan (the “Plan”). In August 2013, full-time grant employees were added to the Plan. The Plan is not reported as a fiduciary fund by the City as it does not meet the reporting criterion.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Systems and Pension Plans (Continued)

The Plan requires the City to contribute 5% of each participant's salary. Employees are also required to contribute 5% of their salary.

The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan amounted to approximately \$539,000 at June 30, 2015 and is not reflected in the accompanying financial statements of the City, as the City's role in the administration of the Plan is limited.

Note 9. Other Post-Employment Benefits

Post-retirement benefits: The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was performed as of July 1, 2013. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 as of July 1, 2007, the City recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2007/2008 liability.

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the projected unit credit method.

Membership in the plan consisted of the following at July 1, 2013, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	1,340
Active plan members	<u>1,680</u>
Total	<u>3,020</u>

OPEB obligation:

Annual required contribution	\$ 22,287,000
Interest on net OPEB obligation	1,713,719
Adjustments to ARC	<u>(1,175,572)</u>
Annual OPEB cost	<u>22,825,147</u>
Contributions made	<u>15,526,725</u>
Increase in net OPEB liability	<u>7,298,422</u>
Net OPEB obligation, beginning of year	<u>22,112,509</u>
Net OPEB obligation, end of year	<u><u>\$ 29,410,931</u></u>

City of Norwalk, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

<i>Schedule of Employer Contributions</i>						
Fiscal Year Ended	Annual OPEB Cost		Employer Contributions	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
6/30/13	\$	18,683,356	\$	16,539,021	89%	\$ 18,231,560
6/30/14		19,536,455		15,655,506	80%	29,410,931
6/30/15		22,825,147		15,526,725	68%	29,410,931

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2013	\$ 37,232,000	\$ 282,040,000	\$ 244,808,000	13%	N/A	N/A

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial assumptions are as follows:

Valuation date	July 1, 2013
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Amortization method	Level percent
Remaining amortization period	30 Years Decreasing Closed

Actuarial assumptions:

Investment rate of return	8.0%
Inflation rate	4.4%

City of Norwalk, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Health cost trend rates

Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Year After Valuation Date	Increase
1	9%
2	8%
3	7%
4	6%
5	5%
6	5%
7 or more	5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Note 10. Risk Management

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions for public officials and law enforcement; medical malpractice for the health department's physicians; injuries to employees; and natural disasters. The City purchases commercial property, boiler and machinery insurance for losses in excess of \$100,000 to the City's real estate, third party liability insurance up to \$12,000,000 for claims above a \$1,000,000 self-insured retention. The City and the Board of Education is self-insured for its medical, dental, workers' compensation and heart and hypertension. The City has opted to manage certain of its risks internally and has set aside assets for claim settlement in its Internal Service Fund. The Internal Service Fund services employee health, workers' compensation, general and automobile liability claims for risk of loss. Under the program, the City and City of Norwalk Board of Education are obligated for claim payments. The City has purchased a stop loss policy for individual claims exceeding \$400,000 for hospital and major medical. The City of Norwalk Board of Education has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 130% of expected claims and for individual claims exceeding \$250,000 for hospital and major medical.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

Settled claims have not exceeded commercial coverage nor has coverage been materially reduced in any of the last three years.

All departments of the City participate in the program and make payments to the Internal Service Fund based on estimates of the amount needed to provide for normal occurrence of claims.

Board of Education employees are covered under two health plans for which the Board of Education pays minimum premiums to plan administrators. Both these plans have been determined to be self-insured. Amounts are paid from the General Fund each year to the Internal Service Fund based upon historical cost information adjusted over a reasonable period of time so that Internal Service Fund revenues and expenses are approximately equal. The plan administrator's process claims for payment on behalf of the Fund. All other City employees are covered under the City health plan. The General Fund is charged an amount for the City plan each fiscal year by the Internal Service Fund based upon historical cost information adjusted over a reasonable period of time so that Internal Service Fund revenues and expenses are approximately equal. The Internal Service Fund uses these funds to settle all claims. All City plans are self-insured.

Claims and expenses and liabilities are reported when it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. Liabilities calculated by actuarial valuations include amounts for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Changes in the balances of claim liabilities during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2014	\$ 15,839,070	\$ 45,289,685	\$ 43,630,335	\$ 17,498,420
2015	17,498,420	44,108,845	46,195,502	15,411,763

City of Norwalk, Connecticut

Notes to Financial Statements

Note 11. Fund Balance

Below is a table of fund balance categories and classifications at June 30, 2015 for the City governmental funds:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances			
Nonspendable:			
Inventory	\$ 827	\$ -	\$ 18,191
Total nonspendable	827	-	18,191
Restricted:			
General government	-	-	122,319
Public safety	-	-	68,425
Health and welfare	-	-	75,426
Public works	-	-	5,000
Education grants not expended	-	-	1,951,406
Miscellaneous education	-	-	70,408
Capital projects	-	2,960,601	-
Community grants	-	-	2,637
Total restricted	-	2,960,601	2,295,621
Committed:			
General government	-	-	84,768
Utilization of fund balance	1,000,000	-	-
Education	-	-	34,672
Streets and parking	-	-	753,482
Miscellaneous public works	-	-	24,664
Health and welfare	-	-	202,649
Capital projects	-	5,203,210	-
Total committed	1,000,000	5,203,210	1,100,235
Assigned:			
General government*	388,453	-	-
Unexpended educations funds account	575,251	-	-
Education employee severance	282,439	-	-
Education security and utilization studies	179,530	-	-
Public safety	10,166	-	-
Public works	63,152	-	-
Total assigned	1,498,991	-	-
Unassigned:			
General government	42,287,811	-	-
Total unassigned	42,287,811	-	-
Total fund balance	\$ 44,787,629	\$ 8,163,811	\$ 3,414,047

* Included in the General Fund is approximately \$189,000 of encumbrances, approximately 9,000 of which is for general government purposes and 180,000 of which is for education security and utilization studies

City of Norwalk, Connecticut

Notes to Financial Statements

Note 12. Governmental Accounting Standards Board Statements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement No. 72, Fair Value Measurement and Application.** This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- **GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,** completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2015.
- **GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,** addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.
- **GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,** effective for fiscal years beginning on or after July 1, 2018, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:
 - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.
 - Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
 - Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

City of Norwalk, Connecticut

Notes to Financial Statements

Note 12. Governmental Accounting Standards Board Statements (Continued)

- **GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.** The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

- **GASB Statement No. 77, *Tax Abatement Disclosures*.** Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:
 - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
 - The gross dollar amount of taxes abated during the period
 - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning on or after July 1, 2016. Earlier application is encouraged.

Note 12. Governmental Accounting Standards Board Statements (Continued)

- **GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*.** This standard narrows the scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.
- **GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.** This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this Statement are effective for financial statements for periods beginning after beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. Earlier application is encouraged.

**Required Supplementary
Information - unaudited**

City of Norwalk, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - City Defined Benefit Plans
June 30, 2015**

	2015	2014
Annual money-weighted rate of return, net of investment expense for:		
Police Benefit Fund	2.60%	16.03%
Fire Benefit Fund	2.61%	16.08%
Employees Pension Plan	2.57%	16.06%
Food Service Employees' Fund	2.58%	16.01%

City of Norwalk, Connecticut

**Required Supplementary Information - unaudited
Schedule of Employer Contributions – City Defined Benefit Plans
June 30, 2015**

Schedule of Contributions - Police Benefit Fund										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,080,602	\$ 3,388,517	\$ 2,588,602	\$ 2,272,357	\$ 1,925,038	\$ 1,197,083	\$ 1,267,867	\$ 1,605,475	\$ 1,599,009	\$ 1,240,000
Contributions in relation to the actuarially determined contribution	4,080,602	3,388,517	2,588,602	2,272,357	1,925,038	1,197,083	1,267,867	1,605,475	1,599,009	1,240,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 12,880,465	\$ 11,276,370	\$ 9,892,305	\$ 10,038,206	\$ 9,767,044	\$ 7,836,642	\$ 8,277,467	\$ 8,540,939	N/A	\$ 9,293,105
Contributions as a percentage of covered-employee payroll	31.68%	30.05%	26.17%	22.64%	19.71%	15.28%	15.32%	18.80%	N/A	13.34%

Schedule of Contributions - Firemen's Benefit Fund										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 2,547,300	\$ 2,150,257	\$ 1,455,860	\$ 898,283	\$ 335,135	\$ -	\$ 62,744	\$ 391,779	\$ 307,926	\$ -
Contributions in relation to the actuarially determined contribution	2,547,300	2,150,257	1,455,860	898,283	335,135	-	62,744	391,779	307,926	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 10,148,581	\$ 9,462,914	\$ 9,411,149	\$ 8,907,133	\$ 8,669,948	\$ 7,848,842	\$ 7,336,833	\$ 8,374,111	N/A	\$ 7,865,894
Contributions as a percentage of covered-employee payroll	25.10%	22.72%	15.47%	10.08%	3.87%	0.00%	0.86%	4.68%	N/A	0.00%

(Continued)

City of Norwalk, Connecticut

**Required Supplementary Information - unaudited
Schedule of Employer Contributions - City Defined Benefit Plans (Continued)
June 30, 2015**

Schedule of Contributions - Employees' Pension Plan										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,846,456	\$ 4,114,985	\$ 3,170,268	\$ 2,497,652	\$ 1,677,163	\$ 891,003	\$ 832,452	\$ 1,435,823	\$ 1,279,680	\$ 689,596
Contributions in relation to the actuarially determined contribution	4,911,368	4,129,672	3,240,092	2,561,323	1,717,429	889,592	863,067	1,506,611	1,343,895	761,128
Contribution deficiency (excess)	\$ (64,912)	\$ (14,687)	\$ (69,824)	\$ (63,671)	\$ (40,266)	\$ 1,411	\$ (30,615)	\$ (70,788)	\$ (64,215)	\$ (71,532)
Covered-employee payroll	\$ 35,518,485	\$ 36,038,743	\$ 35,768,820	\$ 36,038,743	\$ 35,205,960	\$ 35,648,471	\$ 35,652,748	\$ 34,753,304	\$ 34,353,200	\$ 33,335,431
Contributions as a percentage of covered-employee payroll	13.83%	11.46%	9.06%	7.11%	4.88%	2.50%	2.42%	4.34%	3.91%	2.28%
Schedule of Contributions - Food Service Benefit Fund										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 134,962	\$ 112,571	\$ 88,214	\$ 89,102	\$ 89,530	\$ 89,102	\$ 74,182	\$ 67,085	\$ 88,755	\$ 77,967
Contributions in relation to the actuarially determined contribution	134,962	112,571	88,214	89,102	89,530	89,102	74,182	67,085	88,755	203,189
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (125,222)				
Covered-employee payroll	\$ 1,056,694	\$ 983,732	\$ 937,656	\$ 920,435	\$ 937,757	\$ 837,065	\$ 843,602	\$ 620,707	N/A	\$ 694,888
Contributions as a percentage of covered-employee payroll	12.77%	11.44%	9.41%	9.68%	9.55%	10.64%	8.79%	10.81%	N/A	29.24%

City of Norwalk, Connecticut

Required Supplementary Information - unaudited

Schedule of Funding Progress and Schedule of Employer Contributions - OPEB Trust
June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2006	\$ -	\$ 163,771,000	\$ 163,771,000	0%	N/A	N/A
July 1, 2007	-	187,892,000	187,892,000	0%	N/A	N/A
July 1, 2008	2,412,900	197,474,900	195,062,000	1%	N/A	N/A
July 1, 2009	7,819,000	222,571,000	214,752,000	4%	N/A	N/A
July 1, 2011	21,113,000	233,552,000	212,439,000	9%	N/A	N/A
July 1, 2013	37,232,000	282,040,000	244,808,000	13%	N/A	N/A

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 22,287,000	70%
2014	19,302,000	81%
2013	18,450,000	90%
2012	18,629,000	83%
2011	17,791,000	79%
2010	16,278,000	86%
2009	15,293,300	85%
2008	15,573,000	74%

City of Norwalk, Connecticut

Required Supplementary Information - unaudited
 Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers' Retirement Plan
 June 30, 2015

	2014
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	217,270,209
City's covered-employee payroll	86,419,000
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

City of Norwalk, Connecticut

Required Supplementary Information - unaudited
 Schedule of Changes in the City's Net Pension Liability and Related Ratios
 Last 2 Fiscal Years

Changes in Net Pension Liability (Asset)	Employees' Pension Plan		Fire Benefit Fund	
	2015	2014	2015	2014
Total Pension Liability				
Service cost	\$ 4,169,799	\$ 4,009,422	\$ 2,099,901	\$ 2,019,136
Interest	16,047,282	15,512,952	8,623,287	8,261,191
Differences between expected and actual experience	(1,429,173)	(96,413)	(659,538)	214,940
Changes in assumptions	2,607,081	-	1,561,539	-
Benefit payments, including refunds of member contributions	(13,005,105)	(12,387,141)	(5,859,035)	(5,946,968)
Net change in total pension liability	8,389,884	7,038,820	5,766,154	4,548,299
Total Pension Liability, Beginning	209,273,133	202,234,413	112,043,175	107,494,876
Total pension liability, ending (a)	217,663,017	209,273,233	117,809,329	112,043,175
Fiduciary Net Position				
Employer contributions	4,911,368	4,129,672	2,547,300	2,150,257
Member contributions	1,585,785	1,512,089	797,376	783,055
Investment income net of investment expenses	4,889,227	26,969,866	2,595,895	14,160,681
Benefit payments, including refunds of member contributions	(13,005,105)	(12,387,141)	(5,859,035)	(5,946,968)
Administrative expenses	(101,700)	(55,742)	(52,447)	(29,277)
Other	3,121	5,154	1,625	2,652
Net change in plan fiduciary net position	(1,717,304)	20,173,898	30,714	11,120,400
Fiduciary Net Position, Beginning	190,927,256	170,753,358	99,863,900	88,743,500
Fiduciary net position, ending (b)	189,209,952	190,927,256	99,894,614	99,863,900
Net pension liability, ending = (a) - (b)	\$ 28,453,065	\$ 18,345,977	\$ 17,914,715	\$ 12,179,275
Fiduciary Net Position as a % of Total Pension Liability	86.93%	91.23%	84.79%	89.13%
Covered Payroll	\$ 35,518,485	\$ 36,038,743	\$ 10,148,581	\$ 9,462,914
Net Pension Liability as a % of Covered Payroll	80.11%	50.91%	176.52%	128.71%

NOTE: As 2014 was the implementation year, only 2014 and 2015 information is available.

Police Benefit Fund		Food Service Employees' Fund	
2015	2014	2015	2014
\$ 2,720,927	\$ 2,616,276	\$ 113,279	\$ 108,922
10,356,219	9,876,486	215,212	203,672
(912,247)	-	(90,933)	(3,091)
1,971,087	180,816	32,545	-
(7,145,457)	(6,051,249)	(167,827)	(162,221)
6,990,529	6,622,329	102,276	147,282
134,413,763	127,791,434	2,745,996	2,598,714
141,404,292	134,413,763	2,848,272	2,745,996
4,080,602	3,388,517	134,962	112,571
978,138	917,959	35,225	34,110
2,759,196	14,916,963	54,361	285,980
(7,145,457)	(6,051,249)	(167,827)	(162,221)
(55,453)	(30,978)	(1,090)	(596)
1,568	2,849	34	56
618,594	13,144,061	55,665	269,900
106,424,468	93,280,407	2,044,495	1,774,595
107,043,062	106,424,468	2,100,160	2,044,495
\$ 34,361,230	\$ 27,989,295	\$ 748,112	\$ 701,501
75.70%	79.18%	73.73%	74.45%
\$ 12,880,465	\$ 11,276,370	\$ 1,056,694	\$ 983,732
266.77%	248.21%	70.80%	71.31%

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Revenues - Budgetary Basis - Budget and Actual
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Taxes, Interest and Lien Fees				
Property taxes	\$ 285,764,391	\$ 285,764,391	\$ 292,805,514	\$ 7,041,123
Interest and liens	1,520,719	1,520,719	1,715,609	194,890
Total taxes, interest and lien fees	287,285,110	287,285,110	294,521,123	7,236,013
Intergovernmental				
State grants in aid - general	5,643,833	5,701,796	5,770,191	68,395
State grants in aid - Board of Education	10,335,563	10,335,563	10,188,820	(146,743)
Other grants	526,005	526,005	537,448	11,443
Total intergovernmental	16,505,401	16,563,364	16,496,459	(66,905)
Licenses, Permits, Fees and Other				
Building inspections and permits	3,140,905	3,140,905	3,330,880	189,975
Health Department inspection fees	352,400	352,400	406,836	54,436
Police Department permits	30,805	30,805	41,984	11,179
Public Works licenses, permits and service charges	729,239	729,239	772,393	43,154
Planning and Zoning permits	261,916	261,916	181,423	(80,493)
Town Clerk fees and permits	3,822,558	3,822,558	4,147,336	324,778
Police Department service charges	505,761	505,761	442,954	(62,807)
Other service charges and fees	1,985,670	2,011,653	1,984,577	(27,076)
Rental income	181,096	181,096	248,464	67,368
Recreation and Parks Commission	1,063,640	1,063,640	1,050,964	(12,676)
Health Department nursing fees	227,654	227,654	235,908	8,254
Total licenses, permits, fees and other	12,301,644	12,327,627	12,843,719	516,092
Interest on Investments				
Interest on investments	450,000	450,000	848,674	398,674
Total interest	450,000	450,000	848,674	398,674
Total revenues	\$ 316,542,155	\$ 316,626,101	\$ 324,709,975	\$ 8,083,874

See Note to Required Supplementary Information.

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Expenditures, Encumbrances and Transfers Out –
 Budgetary Basis - Budget and Actual
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
General Government				
Mayor	\$ 296,787	\$ 290,605	\$ 290,327	\$ 278
City Clerk	364,882	376,545	376,523	22
Town Clerk	595,661	580,051	570,226	9,825
Legislative	17,450	12,794	10,901	1,893
Legal	997,085	997,671	955,699	41,972
Data processing	1,644,153	1,640,077	1,538,442	101,635
Personnel & labor relations	573,546	601,959	558,428	43,531
Human relations & fair rent	268,677	268,747	266,379	2,368
Youth Services	259,598	262,032	262,031	1
Registrar of Voters	366,427	407,725	395,419	12,306
Finance Director	200,650	236,434	210,072	26,362
Tax Assessor	835,974	792,642	742,447	50,195
Tax Assessor revaluation	6,475	191,996	29,433	162,563
Tax Collector	854,611	861,821	860,293	1,528
Accounting and Treasury	774,539	734,371	716,904	17,467
Management and budgets	409,417	415,638	415,405	233
Purchasing	333,685	339,303	298,064	41,239
Central services	81,347	73,749	60,969	12,780
Total general government	8,880,964	9,084,160.00	8,557,962	526,198
Health and Welfare	2,100,421	2,178,626.00	2,164,901	13,725
Community Grants				
Transit District	523,342	523,342.00	523,342	-
Probate Court	25,332	25,332.00	25,332	-
Elder House	10,171	10,171.00	10,171	-
Senior Center	342,802	342,802.00	342,802	-
Sexual Assault Crisis Center	17,146	17,146.00	17,146	-
CT Counseling Centers	2,143	2,143.00	2,143	-
Harbor Commission	9,134	9,134.00	9,134	-
Carver Foundation	57,200	149,708.00	149,708	-
Housing Site Development Agency	109,194	109,194.00	109,194	-
Redevelopment Agency	174,499	174,489.00	174,486	3
Fair Housing Advisory Commission	142,532	142,532.00	141,659	873
Mid-Fairfield Guidance Center	14,735	14,735.00	14,735	-

(Continued)

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Expenditures, Encumbrances and Transfers Out –
 Budgetary Basis - Budget and Actual, Continued
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Community Grants, Continued				
Neighborhood improvement	\$ 71,171	\$ 71,171	\$ 71,171	\$ -
Americare Free Clinic	22,000	22,000	22,000	-
Human Services Council	13,931	13,931	13,931	-
NEON summer camp	92,508	-	-	-
Domestic Violence Center	5,894	5,894	5,894	-
Family & Children's Aid	38,930	38,930	38,930	-
SW CT Mental Health Board	15,675	15,675	15,675	-
School based health centers	19,825	19,825	19,825	-
South Norwalk Community Center	17,500	17,500	17,500	-
Summer youth employment	75,000	75,000	75,000	-
Children's Connection	17,146	17,146	17,146	-
Other	53,581	53,581	53,581	-
Total community grants	1,871,391	1,871,381	1,870,505	876
Employee Benefits				
Insurance	10,986,147	10,986,147	10,986,147	-
Social security	2,367,152	2,362,850	2,328,000	34,850
Unemployment compensation	137,998	134,366	102,570	31,796
Police pension	4,080,602	4,080,602	4,080,602	-
Fire pension	2,547,300	2,547,300	2,547,300	-
City pension	4,806,246	4,809,169	4,772,998	36,171
OPEB contribution	13,846,636	13,846,636	13,846,636	-
Worker's compensation insurance	2,458,701	2,458,701	2,458,701	-
Total employee benefits	41,230,782	41,225,771	41,122,954	102,817
Protection of Persons and Property				
Police Department	20,717,121	21,884,302	21,798,889	85,413
Fire Department	18,181,563	18,223,410	17,950,712	272,698
Planning and Zoning	1,128,871	1,114,251	1,080,554	33,697
Building Inspector	730,407	731,866	730,208	1,658
Dispatch and emergency management plan	2,443,046	2,435,015	2,376,765	58,250
Total protection of persons and property	43,201,008	44,388,844	43,937,128	451,716
Public Works				
Public Works	18,400,424	18,676,777	18,579,479	97,298

(Continued)

City of Norwalk, Connecticut

Required Supplementary Information - *unaudited*
 Schedule of General Fund Expenditures, Encumbrances and Transfers Out –
 Budgetary Basis - Budget and Actual, Continued
 For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Education				
Public schools	\$ 166,430,865	\$ 168,407,241	\$ 166,778,551	\$ 1,628,690
Recreation, Arts and Culture				
Recreation and Parks	4,122,014	4,303,793	4,298,567	5,226
Library	3,689,598	3,699,771	3,661,109	38,662
Historical Commission	240,323	243,249	243,205	44
Total recreations, arts and culture	8,051,935	8,246,813	8,202,881	43,932
Contingency	1,520,747	322,547	-	322,547
Debt Service	25,754,744	25,754,745	25,754,739	6
Organizational memberships	98,874	98,874	98,875	(1)
Total expenditures	\$ 317,542,155	320,255,779	\$ 317,067,975	\$ 3,187,804

See Note to Required Supplementary Information.

City of Norwalk, Connecticut

Note to Required Supplementary Information - unaudited

Note 1. Budgets and Budgetary Accounting

The City's general budget policies are as follows:

- A. Prior to the commencement of a fiscal year, an operating budget (a plan of financial operation embodying an estimate of proposed expenditures and the proposed means of financing them) for that year for the General Fund is to be submitted to the Board of Estimate and Taxation. On the first Monday of May, the Board of Estimate and Taxation by legal resolution must adopt an Operating Budget for the ensuing fiscal year.
- B. The expenditure portion of the operating budget (appropriations) is given legal effect through resolution of the Board of Estimate and Taxation. Appropriations made by the Board of Estimate and Taxation shall not exceed estimated revenues. The budget is adopted on a department level. Departments, agencies, or other entities may not legally exceed their appropriations.
- C. By resolution of the Board of Estimate and Taxation, the Finance Director may amend the budget by authorizing a transfer within each expenditure item (i.e., the Mayor's office within general government expenditures) of the budget for amounts up to \$5,000 at the Department level. The Board of Estimate and Taxation's authorization is required for transfers of amounts in excess of the Finance Director's authority.
- D. Supplemental appropriations in excess of the adopted budget, together with the means of financing them, must be authorized by the Board of Estimate and Taxation and ratified by a resolution of two-thirds of the Common Council.
- E. Although budgeted revenues usually are not changed, the ultimate source of revenues for supplemental appropriations (adjustments) are identified when such adjustments are approved. Thus, while the final budget presented in the financial statements reflects a deficit, the budgetary amendment process includes procedures requiring that funding sources, including, if necessary, appropriations of fund balance, be identified.
- F. Expenditures of funds for long-term capital improvements are budgeted by Capital Projects each year. Appropriations for Capital Projects are continued until completion of applicable projects, even when projects extend over more than one fiscal year.

Appropriations from the General Fund lapse at year-end.

- G. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year-end and may not be used by the department.
- H. Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for budgetary purposes.

For the year ended June 30, 2015, supplemental appropriations totaled approximately \$2,714,000.

City of Norwalk, Connecticut

Note to Required Supplementary Information - unaudited

Note 1. Budgets and Budgetary Accounting (Continued)

A reconciliation of expenditures and transfers out of the General Fund presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and expenditures, encumbrances and transfers out presented on the budgetary basis is as follows:

Expenditures, encumbrances and transfers out, budgetary basis	\$ 317,067,975
Effect of combined funds under GASB No. 54.	402,612
Revenues recorded from other funds to reimburse expenditures for budgetary purposes only	(395,557)
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	21,802,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	1,330,048
Excess cost -special education	2,607,941
Encumbrances and continued appropriations:	
June 30, 2014	191,737
June 30, 2015	<u>(188,553)</u>
Expenditures, GAAP basis	<u><u>\$ 342,818,203</u></u>

City of Norwalk, Connecticut

Note to Required Supplementary Information - unaudited

- I. A reconciliation of General Fund revenues and transfers is presented in accordance with GAAP and the amount presented on the budgetary basis, is as follows:

Revenues and transfers in, budgetary basis	\$ 324,709,975
Effect of combined funds under GASB No. 54	439,905
Revenues recorded from other funds to reimburse expenditures for budgetary purposes only	(395,557)
Excess cost -special education	2,607,941
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	21,802,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>1,330,048</u>
Revenues, GAAP basis	<u><u>\$ 350,494,312</u></u>

Special Revenue Funds: The City does not have legally adopted annual budgets for the special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Projects Funds: Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

**Combining and Individual Fund
Financial Statements and Other Schedules**

**Nonmajor
Governmental Funds**

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

School Lunch Fund

This fund is used to account for the revenues and expenditures of the school program. Revenues consist of sales of food, federal and state government subsidies, and donations.

C.D.B.G. Fund

This fund is used to account for the revenues and expenditures under the Federal Community Development Block Grant Program.

Board of Education Grants

This fund is used to account for grants received for educational purposes

Health Care Grants

This fund is used to account for grants received for Health Care purposes.

Other Programs Fund

This fund is used to account for educational related and grant activities.

City of Norwalk, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue					Totals
	School Lunch	Community Development Block Grant	Board of Education Grants	Healthcare Grants	Other Programs	
Assets						
Cash and cash equivalents	\$ -	\$ 2,637	\$ 3,026,575	\$ 38,200	\$ 802,423	\$ 3,869,835
Investments	-	-	3,087,957	-	853,535	3,941,492
Intergovernmental receivables	472,282	-	292,659	296,957	-	1,061,898
Other receivables	-	-	173,590	-	148,736	322,326
Inventories	18,191	-	-	-	-	18,191
Total assets	\$ 490,473	\$ 2,637	\$ 6,580,781	\$ 335,157	\$ 1,804,694	\$ 9,213,742
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 418,738	\$ -	\$ 2,229,892	\$ 79,352	\$ 189,649	\$ 2,917,631
Unearned revenue	-	-	2,399,483	210,122	272,459	2,882,064
Total liabilities	418,738	-	4,629,375	289,474	462,108	5,799,695
Fund Balances						
Nonspendable	18,191	-	-	-	-	18,191
Restricted	53,544	2,637	1,951,406	45,683	242,351	2,295,621
Committed	-	-	-	-	1,100,235	1,100,235
Total fund balances	71,735	2,637	1,951,406	45,683	1,342,586	3,414,047
Total liabilities, deferred inflows of resources and fund balances	\$ 490,473	\$ 2,637	\$ 6,580,781	\$ 335,157	\$ 1,804,694	\$ 9,213,742

City of Norwalk, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2015

	Special Revenue					Totals
	School Lunch	Community Development Block Grant	Board of Education Grants	Healthcare Grants	Other Programs	
Revenues						
Intergovernmental	\$ 2,862,447	\$ 1,206,909	\$ 21,997,277	\$ 1,496,274	\$ 79,604	\$ 27,642,511
Licenses, permits, fees and other	1,162,310	-	3,097,534	-	931,663	5,191,507
Total revenues	4,024,757	1,206,909	25,094,811	1,496,274	1,011,267	32,834,018
Expenditures						
Education	4,016,683	-	25,099,461	-	92,844	29,208,988
Health and Welfare	-	-	-	1,409,500	-	1,409,500
General government	-	-	-	-	61,010	61,010
Public Works	-	-	-	-	1,151,359	1,151,359
Public Safety	-	-	-	-	3,536	3,536
Recreation	-	-	-	-	229,772	229,772
Community grants	-	1,206,909	-	-	-	1,206,909
Capital Outlay	-	-	-	42,497	-	42,497
Total expenditures	4,016,683	1,206,909	25,099,461	1,451,997	1,538,521	33,313,571
Changes in fund balance	8,074	-	(4,650)	44,277	(527,254)	(479,553)
Fund Balance, Beginning	63,661	2,637	1,956,056	1,406	1,869,840	3,893,600
Fund Balance, Ending	\$ 71,735	\$ 2,637	\$ 1,951,406	\$ 45,683	\$ 1,342,586	\$ 3,414,047

Nonmajor Internal Service Funds

Nonmajor Internal Service Funds

Internal service funds are used to account for various services provided by the City for various funds.

Insurance Fund

This fund is used to account for medical, property and casualty and workers compensation.

Fleet Maintenance

This fund is used to account for vehicle maintenance and vehicle fuel used by the City.

City of Norwalk, Connecticut

Combining Statement of Net Position
 Nonmajor Internal Service Fund
 June 30, 2015

	Insurance Fund	Fleet Maintenance	Totals
Assets			
Cash	\$ 13,442,184	\$ 36,064	\$ 13,478,248
Investments	21,117,390	32,100	21,149,490
Receivables	42,026	35,090	77,116
Prepays	1,159,158	-	1,159,158
Total assets	35,760,758	103,254	35,864,012
Liabilities			
Current liabilities:			
Accounts payable	1,786,872	134,600	1,921,472
Claims payable	5,196,299	-	5,196,299
Total current liabilities	6,983,171	134,600	7,117,771
Noncurrent liabilities:			
Claims payable	10,215,464	-	10,215,464
Total noncurrent liabilities	10,215,464	-	10,215,464
Total liabilities	17,198,635	134,600	17,333,235
Net Position (Deficit)			
Unrestricted	18,562,123	(31,346)	18,530,777
Total net position (deficit)	\$ 18,562,123	\$ (31,346)	\$ 18,530,777

City of Norwalk, Connecticut

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) -
Nonmajor Internal Service Funds
For the Year Ended June 30, 2015**

	Insurance Fund	Fleet Maintenance	Totals
<hr/>			
Operating Revenues			
City and member's contributions	\$ 53,723,365	\$ 2,366,086	\$ 56,089,451
Total operating revenues	<u>53,723,365</u>	<u>2,366,086</u>	<u>56,089,451</u>
Operating Expenses			
Administrative costs	823,644	8,883	832,527
Program expenditures	44,108,845	2,460,859	46,569,704
Total operating expenses	<u>44,932,489</u>	<u>2,469,742</u>	<u>47,402,231</u>
Operating income	<u>8,790,876</u>	<u>(103,656)</u>	<u>8,687,220</u>
Nonoperating Income			
Investment income	276,713	353	277,066
Total nonoperating income	<u>276,713</u>	<u>353</u>	<u>277,066</u>
Net income	<u>9,067,589</u>	<u>(103,303)</u>	<u>8,964,286</u>
Fund Net Position, Beginning	<u>9,494,534</u>	<u>71,957</u>	<u>9,566,491</u>
Fund Net Position (Deficit), Ending	<u><u>\$ 18,562,123</u></u>	<u><u>\$ (31,346)</u></u>	<u><u>\$ 18,530,777</u></u>

City of Norwalk, Connecticut

Combining Statement of Cash Flows - Nonmajor Internal Service Funds
For the Year Ended June 30, 2015

	Insurance Fund	Fleet Maintenance	Totals
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 53,774,339	\$ 2,364,648	\$ 56,138,987
Payments for program and administration costs	(45,832,615)	(2,491,068)	(48,323,683)
Net cash provided by (used in) operating activities	7,941,724	(126,420)	7,815,304
Cash Flows From Investing Activities			
Purchase of investments	6,083,290	16,554	6,099,844
Sale of investments	(10,166,098)	45,700	(10,120,398)
Investment income	276,713	353	277,066
Net cash (used in) provided by investing activities	(3,806,095)	62,607	(3,743,488)
Net increase (decrease) in cash and cash equivalents	4,135,629	(63,813)	4,071,816
Cash and Cash Equivalents			
Beginning	9,306,555	99,877	9,406,432
Ending	<u>\$ 13,442,184</u>	<u>\$ 36,064</u>	<u>\$ 13,478,248</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 8,790,876	\$ (103,656)	\$ 8,687,220
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	50,974	(1,438)	49,536
Increase in prepaids	(493,639)	-	(493,639)
Increase (decrease) in accrued expenses/ accounts payable	(406,487)	(21,326)	(427,813)
Net cash provided by (used in) by operating activities	\$ 7,941,724	\$ (126,420)	\$ 7,815,304
Noncash Investment Activities			
Net increase in fair value of investments	\$ 131,856	\$ 359	\$ 132,215

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Fiduciary Funds

Fiduciary Funds

Agency Funds:

Student Activity Fund

This fund is used to account for the monies generated by student activities in the Norwalk Public School System.

Housing Site Development Fund

This fund is used for donations received from private developers, which are restricted to moderate income housing levels.

City Hall Mural Restoration

This fund is used to account for private donations received to be used for mural restoration.

Sixth Taxing District

This fund is used to account for taxes collected for the benefit of the Sixth Taxing District.

Detention Facility Escrow

This fund is used to account for private donations to maintain drainage facilities.

Roosevelt Deposit

This fund is used to account for assets held for maintenance of Roosevelt School facility.

Sewer Escrow

This fund is used to account for private donations to maintain sewer lines.

Miscellaneous Board of Education

This fund is used to account for monies held for groups related to students for specific purposes.

City of Norwalk, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 918,140	\$ 2,772,365	\$ 2,770,274	\$ 920,231
Liabilities				
Other liabilities	\$ 918,140	\$ 2,772,365	\$ 2,770,274	\$ 920,231
Housing Site Development				
Assets				
Cash and cash equivalents	\$ 391,185	\$ 2,826	\$ -	\$ 394,011
Liabilities				
Other liabilities	\$ 391,185	\$ 2,826	\$ -	\$ 394,011
Sixth Taxing District				
Assets				
Cash and cash equivalents	\$ -	\$ 4,721	\$ 4,721	\$ -
Liabilities				
Other liabilities	\$ -	\$ 4,721	\$ 4,721	\$ -
City Hall Mural Restoration				
Assets				
Cash and cash equivalents	\$ 2,371	\$ 17	\$ -	\$ 2,388
Liabilities				
Other liabilities	\$ 2,371	\$ 17	\$ -	\$ 2,388
Detention Facility Escrow				
Assets				
Cash and cash equivalents	\$ 5,705	\$ 39	\$ -	\$ 5,744
Liabilities				
Other liabilities	\$ 5,705	\$ 39	\$ -	\$ 5,744

(Continued)

City of Norwalk, Connecticut

Combining Statement of Changes in Assets and Liabilities - Agency Funds (Continued)
 For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Roosevelt Deposit				
Assets				
Cash and cash equivalents	\$ 20,580	\$ 148	\$ -	\$ 20,728
Liabilities				
Other liabilities	\$ 20,580	\$ 148	\$ -	\$ 20,728
Sewer Escrow				
Assets				
Cash and cash equivalents	\$ 197,524	\$ 1,091	\$ -	\$ 198,615
Liabilities				
Other liabilities	\$ 197,524	\$ 1,091	\$ -	\$ 198,615
Miscellaneous Board of Education				
Assets				
Cash and cash equivalents	\$ 20,622	\$ 1,463	\$ -	\$ 22,085
Total Assets	\$ 20,622	\$ 1,463	\$ -	\$ 22,085
Liabilities				
Other liabilities	\$ 20,622	\$ 1,463	\$ -	\$ 22,085
Total assets	\$ 1,556,127	\$ 2,782,670	\$ 2,774,995	\$ 1,563,802
Total liabilities	\$ 1,556,127	\$ 2,782,670	\$ 2,774,995	\$ 1,563,802

**Capital Assets Used in the Operation
of Governmental Funds**

City of Norwalk, Connecticut

Capital Assets Used in the Operation of Governmental Funds, Net of Accumulated Depreciation
June 30, 2015

Governmental Funds Capital Assets	
Land	\$ 23,681,897
Buildings and improvements	259,748,427
Land improvements	12,327,431
Machinery and equipment	19,167,881
Infrastructure	213,737,403
Total governmental funds capital assets	<u>\$ 528,663,039</u>
Investments in Governmental Funds Capital Assets	
Assets put into service prior to July 1, 2015	
Total governmental funds capital assets	<u>\$ 528,663,039</u>

City of Norwalk, Connecticut

Capital Assets Used in the Operation of Governmental Funds - Schedule by Function and Activity - Net of Depreciation
June 30, 2015

	Land	Land Improvements	Machinery and Equipment	Infrastructure	Buildings and Improvements	Total
General government	\$ 947,274	\$ 493,097	\$ 766,716	\$ 8,549,496	\$ 10,389,937	\$ 21,146,520
Board of Education	11,495,193	5,983,735	9,304,089	103,748,135	126,081,886	256,613,038
Public Works	5,662,342	2,947,489	4,583,040	51,104,613	62,105,849	126,403,333
Health & Welfare	94,728	49,310	76,672	854,950	1,038,994	2,114,654
Recreation, Arts and Culture	2,017,698	1,050,297	1,633,103	18,210,427	22,130,566	45,042,091
Public Safety	3,464,662	1,803,503	2,804,261	31,269,782	38,001,195	77,343,403
	<u>\$ 23,681,897</u>	<u>\$ 12,327,431</u>	<u>\$ 19,167,881</u>	<u>\$ 213,737,403</u>	<u>\$ 259,748,427</u>	<u>\$ 528,663,039</u>

Other Schedules

City of Norwalk, Connecticut

Balance Sheet - By Account - General Fund
June 30, 2015

	General Fund	Other Programs Fund	Totals
Assets			
Cash and cash equivalents	\$ 47,812,865	\$ 328,803	\$ 48,141,668
Investments	35,266,553	321,313	35,587,866
Receivables (net of allowances for collection losses):			
Property taxes	3,526,350	-	3,526,350
Accounts receivable	12,361,333	30	12,361,363
State and federal governments	43,011	-	43,011
Prepays	827	-	827
Total assets	\$ 99,010,939	\$ 650,146	\$ 99,661,085
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 24,936,974	\$ 57,238	\$ 24,994,212
Advances to taxing districts	10,697,293	-	10,697,293
Total liabilities	35,634,267	57,238	35,691,505
Deferred Inflows of Resources			
Unavailable revenues - advanced property tax collections	16,365,855	-	16,365,855
Unavailable revenues - other	2,816,096	-	2,816,096
Total deferred inflows of resources	19,181,951	-	19,181,951
Fund Balances			
Nonexpendable	827	-	827
Committed	1,000,000	-	1,000,000
Assigned	1,498,991	-	1,498,991
Unassigned	41,694,903	592,908	42,287,811
Total fund balances	44,194,721	592,908	44,787,629
Total liabilities, Deferred Inflows of Resources and fund balances	\$ 99,010,939	\$ 650,146	\$ 99,661,085

City of Norwalk, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2015

	General Fund	Other Programs Fund	Totals
Revenues			
Property taxes, interest and liens	\$ 294,521,123	\$ -	\$ 294,521,123
Intergovernmental	19,107,743	-	19,107,743
State on-behalf payments	23,132,048	-	23,132,048
Licenses, permits, fees and other	12,444,819	438,680	12,883,499
Interest	848,674	1,225	849,899
Total revenues	350,054,407	439,905	350,494,312
Expenditures			
Current:			
General government	8,728,419	402,612	9,131,031
Health and Welfare	3,489,949	-	3,489,949
Education	190,790,463	-	190,790,463
Employee benefits	41,221,829	-	41,221,829
Public Safety	43,589,237	-	43,589,237
Community grants	1,870,505	-	1,870,505
Public Works	18,200,799	-	18,200,799
Recreation, Arts and Culture	8,203,261	-	8,203,261
Capital outlay	566,390	-	566,390
Debt service:			
Principal	17,328,205	-	17,328,205
Interest	8,426,534	-	8,426,534
Total expenditures	342,415,591	402,612	342,818,203
Other Financing Sources			
Transfer out	(771,000)	-	(771,000)
Premium from issuance of debt	398,913	-	398,913
Total other financing sources (uses)	(372,087)	-	(372,087)
Net change in fund balances	7,266,729	37,293	7,304,022
Fund Balances, Beginning of Year	36,927,992	555,615	37,483,607
Fund Balances, End of Year	\$ 44,194,721	\$ 592,908	\$ 44,787,629

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City of Norwalk, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding - General Fund
For the Year Ended June 30, 2015

Grand List Year	Taxes Receivable July 1, 2014	Current Levy	Lawful Corrections		
			Additions	Deletions	Abatement
2013	\$ -	\$ 293,315,373	\$ 1,827,575	\$ 232,984	\$ 750,754
2012	3,865,003	-	57,656	205,976	172,425
2011	1,499,920	-	16,190	107,472	112,850
2010	710,529	-	8,534	304,913	93,336
2009	250,896	-	42,876	36,418	79,966
2008	137,504	-	17,257	22,613	39,190
2007	127,293	-	10,026	18,677	-
2006	34,635	-	6,826	10,199	1,385
2005	18,272	-	5,246	4,311	-
2004	13,928	-	6,871	2,515	-
2003	8,666	-	4,993	1,576	(103)
2002	8,428	-	3,994	1,597	-
2001	9,302	-	2,118	949	(116)
2000	3,798	-	2,015	786	-
1999	2,816	-	1,083	(199,144)	-
	<u>\$ 6,690,990</u>	<u>\$ 293,315,373</u>	<u>\$ 2,013,260</u>	<u>\$ 751,842</u>	<u>\$ 1,249,687</u>

Balance to be Collected	Collections				Taxes Receivable June 30, 2015
	Taxes	Interest	Fees	Total	
\$ 294,159,210	\$ 290,306,222	\$ 794,540	\$ 60,837	\$ 291,161,599	\$ 3,852,988
3,544,258	2,167,917	441,802	117,267	2,726,986	1,376,341
1,295,788	534,616	200,733	5,602	740,951	761,172
320,814	147,955	98,928	11,852	258,735	172,859
177,388	49,080	54,951	1,513	105,544	128,308
92,958	(15,764)	22,107	591	6,934	108,722
118,642	16,505	17,182	441	34,128	102,137
29,877	4,626	7,767	213	12,606	25,251
19,207	10,923	5,824	210	16,957	8,284
18,284	10,431	15,717	225	26,373	7,853
12,186	3,467	7,219	125	10,811	8,719
10,825	2,666	6,482	95	9,243	8,159
10,587	3,287	3,381	70	6,738	7,300
5,027	1,317	3,259	111	4,687	3,710
203,043	203,043	1,483	45	204,571	-
<u>\$ 300,018,094</u>	<u>\$ 293,446,291</u>	<u>\$ 1,681,375</u>	<u>\$ 199,197</u>	<u>\$ 295,326,863</u>	<u>\$ 6,571,803</u>

City of Norwalk, Connecticut

Schedule of Capital Project Fund Tax Collectors Activity - Sewer Assessment
 For the Year Ended June 30, 2015

Grand List Year	Uncollected Sewer Assessments July 1, 2014	Current Assessment	Lawful Corrections		Assessments Collected
			Additions	Deletions	
1997-1998	\$ 58	\$ -	\$ -	\$ 58	\$ -
1999-2000	646	-	-	646	-
2001-2002	799	-	-	-	-
2005-2006	26,575	-	-	-	7,487
	<u>\$ 28,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704</u>	<u>\$ 7,487</u>

Interest	Liens	Total Collected	Taxes Receivable June 30, 2015
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	799
1,009	24	8,520	19,088
<u>\$ 1,009</u>	<u>\$ 24</u>	<u>\$ 8,520</u>	<u>\$ 19,887</u>

City of Norwalk, Connecticut

Schedule of Long-Term Bonded Debt
For the Year Ended June 30, 2015

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
<u>General Government</u>					
City Capital Improvement Bonds					
	104	03/24/2004	2.25-4.00	01/15/2016	10,829,850
	111	04/30/2008	3.00-5.00	07/01/2018	15,780,000
	113	03/03/2009	2.50-5.00	07/01/2022	55,312,186
	114	06/03/2009	3.00-5.00	07/01/2026	17,037,600
	115	07/15/2009	2.25-4.25	07/01/2029	17,495,000
	116	02/16/2010	3.00-5.00	07/01/2026	15,879,685
	117	04/28/2010	3.00-5.00	07/01/2024	29,480,600
	118	08/01/2010	1.60-5.20	08/01/2030	6,000,000
	119	08/01/2010	1.60-5.20	08/01/2030	12,844,000
	120	07/01/2011	3.00-4.00	07/01/2027	18,022,000
	121	08/16/2011	2.00-4.00	08/15/2031	17,274,000
	122	07/10/2012	1.25-5.00	07/15/2029	16,006,840
	123	08/01/2012	2.00-4.00	08/15/2032	24,000,000
	124	08/15/2013	2.95-2.95	08/15/2028	21,000,000
	125	08/15/2014	2.00-4.00	08/15/2029	14,500,000

Total City capital improvement bonds

Amount Outstanding June 30, 2014	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2015
\$ 3,557,250	\$ -	\$ (1,771,650)	\$ 1,785,600
11,600,000	-	(2,090,000)	9,510,000
44,053,047	-	(4,521,186)	39,531,861
13,350,150	-	(1,325,250)	12,024,900
450,030	-	(450,030)	-
15,537,385	-	(1,863,895)	13,673,490
16,386,663	-	(2,967,750)	13,418,913
5,670,000	-	(330,000)	5,340,000
12,266,770	-	(576,750)	11,690,020
18,022,000	-	(470,250)	17,551,750
17,274,000	-	(961,444)	16,312,556
16,006,840	-	-	16,006,840
24,000,000	-	-	24,000,000
21,000,000	-	-	21,000,000
-	14,500,000	-	14,500,000
219,174,135	14,500,000	(17,328,205)	216,345,930

City of Norwalk, Connecticut

Schedule of Long-Term Bonded Debt (Continued)
For the Year Ended June 30, 2015

Bonds	Bond Number	Issue Date	Interest Rate	Maturity Date	Original Amount
Enterprise Funds					
Maritime Parking Garage	112	07/01/2008	3.00-5.00	07/01/2028	1,200,000
	113	03/03/2009	2.50-5.00	07/01/2022	818,158
	115	07/15/2009	2.25-4.25	07/01/2029	1,205,000
	116	02/16/2010	3.00-5.00	07/01/2026	7,374,315
	117	04/28/2010	3.00-5.00	07/01/2024	209,400
	119	08/01/2010	1.60-5.20	08/01/2030	1,276,000
	121	08/16/2011	2.00-4.00	08/15/2031	226,000
	122	07/10/2012	1.25-5.00	07/15/2029	1,063,160
Total Parking Authority					
Water Pollution Control Authority	104	03/24/2004	2.25-4.00	01/15/2016	815,150
	113	03/03/2009	2.50-5.00	07/01/2022	2,314,656
	114	06/03/2009	3.00-5.00	07/01/2024	1,282,400
	115	07/15/2009	2.25-4.25	07/01/2029	2,500,000
	116	02/16/2010	3.00-5.00	07/01/2026	811,000
	117	04/28/2010	3.00-5.00	07/01/2024	1,187,600
	119	08/01/2010	1.60-5.20	08/01/2030	(700,000)
	120	07/01/2011	3.00-4.00	07/01/2027	788,000
	121	08/16/2011	2.00-4.00	08/15/2031	500,000
	122	07/10/2012	1.25-5.00	07/15/2029	1,915,000
	123	08/01/2012	2.00-4.00	08/15/2032	2,000,000
	125	08/15/2014	2.00-4.00	08/15/2029	500,000
	CWF 190-DCI	12/31/2004	2.00	09/30/2019	1,830,187
	CWF 199-L	07/01/1996	2.00	07/01/2015	4,550,161
	CWF 301-C	12/30/1997	2.00	12/31/2016	1,934,212
	CWF 397-C	07/01/1999	2.00	01/31/2019	673,270
	CWF 190DC	09/30/2000	2.00	01/31/2019	41,294,122
CWF 190-L1	07/01/2002	2.00	01/31/2019	4,930,815	
CWF 612-C	01/01/2013	2.00	07/01/2032	21,797,845	
Total Water Pollution Control Authority					
Total City capital improvement bonds					

Amount Outstanding June 30, 2014	Additions/ Transfers	Payments/ Refunding/ Transfers	Amount Outstanding June 30, 2015
317,015	-	(317,015)	-
589,428	-	(67,220)	522,208
540,970	-	(70,720)	470,250
5,640,000	-	(68,990)	5,571,010
58,137	-	(41,850)	16,287
1,103,610	-	(172,750)	930,860
226,000	-	(12,556)	213,444
1,063,160	-	-	1,063,160
9,538,320	-	(751,101)	8,787,219
267,750	-	(133,350)	134,400
1,837,518	-	(216,594)	1,620,924
1,004,850	-	(99,750)	905,100
114,000	-	(114,000)	-
830,600	-	4,900	835,500
685,200	-	(125,400)	559,800
(695,380)	-	4,500	(690,880)
788,000	-	-	788,000
500,000	-	(26,000)	474,000
1,915,000	-	-	1,915,000
2,000,000	-	-	2,000,000
-	500,000	-	500,000
714,027	-	(130,293)	583,734
293,028	-	(270,261)	22,767
283,435	-	(111,678)	171,757
177,066	-	(37,262)	139,804
12,367,360	-	(2,256,751)	10,110,609
1,957,019	-	(259,778)	1,697,241
19,879,007	-	(921,792)	18,957,215
44,918,480	500,000	(4,693,509)	40,724,971
\$ 273,630,935	\$ 15,000,000	\$ (22,772,815)	\$ 265,858,120

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Statistical Section

Statistical Section

This part of the City of Norwalk, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City of Norwalk, Connecticut
Net Position by Component
Last Ten Fiscal Years - unaudited
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 185,092	\$ 215,021	\$ 236,918	\$ 250,536	\$ 265,737	\$ 263,359	\$ 274,568	\$ 284,792	\$ 299,719	\$ 311,537
Restricted	-	-	-	-	-	626	1,186	353	2,340	2,225
Unrestricted	40,209	31,587	17,510	7,583	1,905	12,859	3,198	6,516	12,782	(42,481)
Total governmental activities net position	225,301	246,608	254,428	258,119	267,642	276,844	278,952	291,661	314,841	271,281
Business-type activities										
Net Investment in capital assets	53,072	53,483	58,022	65,236	67,625	77,295	83,058	84,119	87,455	91,928
Restricted	705	745	781	794	-	-	-	-	-	-
Unrestricted	7,350	9,531	9,168	4,193	7,671	5,373	9,605	12,784	13,217	12,169
Total business-type activities net position	61,127	63,759	67,971	70,223	75,296	82,668	92,663	96,903	100,672	104,097
Primary Government										
Net Investment in capital assets	238,164	268,504	294,940	315,772	333,362	340,654	357,626	368,911	387,174	403,465
Restricted	705	745	781	794	-	626	1,186	353	2,340	2,225
Unrestricted	47,559	41,118	26,678	11,776	9,576	18,232	12,803	19,300	25,999	(30,312)
Total primary government net position	\$ 286,428	\$ 310,367	\$ 322,399	\$ 328,342	\$ 342,938	\$ 359,512	\$ 371,615	\$ 388,564	\$ 415,513	\$ 375,378

City of Norwalk, Connecticut
Changes in Net Position
Last Ten Fiscal Years - *unaudited*
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 16,091	\$ 15,497	\$ 18,093	\$ 15,809	\$ 15,258	\$ 13,725	\$ 14,301	\$ 13,758	\$ 13,958	\$ 18,319
Education	176,895	179,848	192,383	201,190	209,628	214,237	225,079	230,695	231,874	244,093
Public Safety	37,415	39,369	45,115	43,292	43,722	46,491	46,257	48,459	48,734	48,207
Health & Welfare	2,163	3,453	2,210	5,155	5,711	4,895	4,266	4,001	3,636	7,843
Public Works	28,363	24,553	31,020	33,208	25,524	29,909	33,984	34,531	38,122	25,729
Recreation, Arts and Cultural	8,308	8,783	9,387	9,922	9,313	9,112	9,463	9,459	11,365	15,217
Interest on debt	6,817	7,627	9,291	9,790	7,692	10,128	10,605	9,356	8,493	7,711
Total governmental activities expenses	276,052	279,130	307,499	318,366	316,848	328,497	343,955	350,259	356,182	367,119
Business-type activities:										
Parking Authority	4,227	4,282	4,713	5,136	5,827	5,551	5,422	5,593	5,673	5,939
Water Pollution Control Authority	8,799	9,200	9,371	10,454	11,400	10,515	10,789	11,374	11,947	12,080
Total business-type activities net position	13,026	13,482	14,084	15,590	17,227	16,066	16,211	16,967	17,620	18,019
Total primary government expenses	\$ 289,078	\$ 292,612	\$ 321,583	\$ 333,956	\$ 334,075	\$ 344,563	\$ 360,166	\$ 367,226	\$ 373,802	\$ 385,138
Program Revenues										
Governmental activities:										
Charges for services:										
General government	7,680	7,199	9,246	5,193	4,986	4,868	4,828	7,938	7,759	7,355
Education	2,687	2,912	1,691	1,890	1,710	1,298	1,263	1,280	1,153	1,162
Public Safety	3,105	3,059	2,544	429	281	272	398	480	505	485
Health & Welfare	555	603	555	569	605	549	559	597	625	643
Public Works	8,699	9,342	8,901	11,669	10,807	10,720	10,627	12,622	13,259	4,285
Recreation, Arts and Cultural	614	754	8	1,279	1,251	970	966	862	960	1,051
Operating grants and contributions	40,407	36,925	44,278	44,291	47,742	49,006	53,899	52,804	58,700	58,608
Capital grants and contributions	12,971	9,621	7,605	9,404	5,887	5,156	5,122	7,515	5,586	7,147
Total governmental activities program revenues	76,718	70,415	74,828	74,724	73,269	72,839	77,662	84,098	88,547	80,736

City of Norwalk, Connecticut
Changes in Net Position (Continued)
Last Ten Fiscal Years - unaudited
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues (Continued)										
Business-type activities:										
Charges for services:										
Parking Authority	\$ 3,572	\$ 4,312	\$ 4,936	\$ 5,145	\$ 5,144	\$ 5,268	\$ 5,298	\$ 5,511	\$ 5,697	\$ 5,973
Water Pollution Control Authority	10,268	10,878	12,201	12,071	13,247	13,254	14,702	14,664	15,254	15,252
Capital grants and contributions	7,230	184	359	-	3,656	4,629	5,991	1,032	315	66
Total business-type activities										
program revenues	21,070	15,374	17,496	17,216	22,047	23,151	25,991	21,207	21,266	21,291
Total primary government										
program revenues	97,788	85,789	92,324	91,940	95,316	95,990	103,653	105,305	109,813	102,027
Net (Expense)/Revenue										
Governmental activities	(199,334)	(208,715)	(232,671)	(243,642)	(243,579)	(255,658)	(266,293)	(266,161)	(267,635)	(286,383)
Business-type activities	8,044	1,892	3,412	1,626	4,820	7,085	9,780	4,240	3,646	3,272
Total primary government										
net expense	(191,290)	(206,823)	(229,259)	(242,016)	(238,759)	(248,573)	(256,513)	(261,921)	(263,989)	(283,111)
General Revenues and Other Changes in Net Expenses										
Governmental activities:										
Property taxes	207,199	215,806	228,023	237,745	246,277	256,470	260,827	269,014	281,452	290,950
Grants and contributions not restricted to specific programs	8,079	7,352	6,473	5,997	5,076	6,438	5,930	7,391	5,902	5,770
Miscellaneous	-	-	-	-	-	-	-	1,884	2,456	3,098
Unrestricted investment earnings	4,631	6,864	5,229	3,591	1,750	1,950	1,645	580	1,004	882
Transfers and other	-	-	-	-	-	-	-	-	-	-
Total governmental activities	219,909	230,022	239,725	247,333	253,103	264,858	268,402	278,869	290,814	300,700
Business-type activities:										
Unrestricted investment earnings	383	740	800	626	252	289	215	-	122	153
Transfers and other	-	-	-	-	-	-	-	-	-	-
Total business-type activities	383	740	800	626	252	289	215	-	122	153
Total primary government	220,292	230,762	240,525	247,959	253,355	265,147	268,617	278,869	290,936	300,853
Changes in Net Position										
Governmental activities	20,575	21,307	7,054	3,691	9,524	9,200	2,109	12,708	23,179	14,317
Business-type activities	8,427	2,632	4,212	2,252	5,072	7,374	9,995	4,240	3,768	3,425
Total primary government	\$ 29,002	\$ 23,939	\$ 11,266	\$ 5,943	\$ 14,596	\$ 16,574	\$ 12,104	\$ 16,948	\$ 26,947	\$ 17,742

City of Norwalk, Connecticut
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years - *unaudited*
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax
2006	\$ 207
2007	216
2008	228
2009	238
2010	246
2011	256
2012	261
2013	269
2014	281
2015	292

City of Norwalk, Connecticut
Fund Balance of Governmental Funds
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 2	\$ -	\$ 1
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	1,000
Assigned	-	-	-	-	-	1,946	2,592	3,682	2,870	1,499
Unassigned	-	-	-	-	-	28,628	28,532	29,751	34,613	42,288
Reserved	289	1,634	112	112	103	-	-	-	-	-
Unreserved, designated	3,861	4,492	4,349	4,349	1,960	-	-	-	-	-
Unreserved, undesignated	28,498	31,154	31,154	25,039	26,550	-	-	-	-	-
Total general fund	\$ 32,648	\$ 37,280	\$ 35,615	\$ 29,500	\$ 28,613	\$ 30,574	\$ 31,147	\$ 33,435	\$ 37,483	\$ 44,788
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51	\$ 30	\$ 38	\$ 33	\$ 18
Restricted	-	-	-	-	-	14,787	15,939	15,797	18,098	5,256
Committed	-	-	-	-	-	12,619	6,539	4,892	3,936	6,303
Assigned	-	-	-	-	-	-	-	836	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Capital projects funds	20,226	8,118	13,078	13,078	20,399	-	-	-	-	-
Nonmajor governmental funds	1,173	1,061	1,228	1,228	1,001	-	-	-	-	-
Total all other governmental funds	\$ 21,399	\$ 9,179	\$ 14,306	\$ 14,306	\$ 21,400	\$ 27,457	\$ 22,508	\$ 21,563	\$ 22,067	\$ 11,577

* The City implemented GASB 54 in FY 2011.

City of Norwalk, Connecticut
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes, interest and liens	\$ 206,567	\$ 215,669	\$ 229,160	\$ 236,369	\$ 247,000	\$ 255,420	\$ 261,288	\$ 267,986	\$ 281,958	\$ 294,528
Intergovernmental	47,752	44,497	46,244	46,244	44,947	45,711	46,577	48,927	48,667	53,897
State on-behalf payments	10,413	10,094	13,345	13,345	14,082	14,127	18,462	18,672	21,537	23,132
Licenses, permits, fees and other	28,619	25,966	21,029	21,029	19,641	18,678	18,641	25,773	17,944	18,075
Interest	4,632	6,859	3,591	3,591	1,750	1,280	1,350	215	1,004	882
Total revenues	297,983	303,085	313,369	320,578	327,420	335,216	346,318	361,573	371,110	390,514
Expenditures										
General government	6,963	7,396	8,191	8,191	7,362	8,134	8,653	8,978	9,469	9,192
Health and Welfare	5,612	4,589	4,853	4,853	5,423	4,535	3,870	3,534	3,423	4,899
Education	162,733	163,956	179,596	179,596	184,020	186,402	194,263	196,377	209,077	219,999
Employee Benefits	19,081	22,272	23,535	23,535	24,900	29,412	32,605	38,482	40,901	41,222
Public Safety	36,476	33,937	37,419	37,419	38,131	39,554	38,695	40,311	41,775	43,593
Community grants	3,216	3,597	3,728	3,728	4,005	4,248	4,173	3,045	2,909	3,077
Public Works	15,368	15,601	18,359	18,359	16,162	15,563	16,426	22,139	18,288	19,352
Recreation, Arts & Culture	6,812	7,362	8,001	8,001	7,420	7,029	7,820	8,279	7,731	8,433
Maritime Center subsidy	8,325	8,905	8,653	8,653	8,342	8,546	8,090	8,660	-	-
Capital outlay	45,555	46,262	42,496	30,017	14,335	17,315	27,127	28,690	27,749	32,972
Debt service										
Principal	9,039	11,769	13,484	15,386	17,850	15,734	15,451	15,661	17,695	17,328
Interest	8,507	8,959	10,193	10,598	9,063	9,569	10,972	10,381	8,538	8,530
Total expenditures	327,687	334,605	358,508	348,336	337,013	346,041	368,145	384,537	387,555	408,597
Excess of revenues over (under) expenditures	(29,704)	(31,520)	(45,139)	(27,758)	(9,593)	(10,825)	(21,827)	(22,964)	(16,445)	(18,083)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of bonds (notes)	21,325	23,260	39,905	105,350	59,168	18,844	35,312	40,007	21,000	14,500
Premium from issuance of bonds	-	5	786	6,802	5,078	-	1,276	2,158	-	399
Payments to escrow agent	-	-	(16,566)	(78,946)	(48,446)	-	(19,138)	(17,859)	-	-
Capital lease proceeds	-	666	-	-	-	-	-	-	-	-
Total from financing sources (uses)	21,325	23,931	24,125	33,206	15,800	18,844	17,450	24,306	21,000	14,899
Net change in fund balances	\$ (8,379)	\$ (7,589)	\$ (21,014)	\$ 5,448	\$ 6,207	\$ 8,019	\$ (4,377)	\$ 1,342	\$ 4,555	\$ (3,184)

Debt service as a Percentage of Noncapital Expenditures	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	6.1% ⁽³⁾	7.2% ⁽³⁾	7.6% ⁽³⁾	8.1% ⁽³⁾	8.4% ⁽³⁾	8.1% ⁽³⁾	7.3% ⁽³⁾	7.3% ⁽³⁾	7.3% ⁽³⁾	6.9% ⁽³⁾

1. Debt service not broken out between principal and interest Fiscal Year 2003.
2. State on-behalf payments for revenue not broken out prior to fiscal year 2004.
3. Debt service as a percentage of noncapital expenditures takes into account capitalized assets from all functions. Calculation is debt service divided by total expenditures less capital outlay used in Note 2 reconciliation between the government-wide statement of activities and the statement of revenues, expenditures, and changes in fund balance.

City of Norwalk, Connecticut
General Governmental Tax Revenues By Source
Last Ten Fiscal Years - *unaudited*
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax
2006	\$ 207
2007	216
2008	229
2009	236
2010	247
2011	255
2012	261
2013	268
2014	282
2015	295

City of Norwalk, Connecticut
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property		Personal Property			Less Exemptions ⁽³⁾	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value
	Residential ⁽²⁾	Commercial	Land	Motor Vehicles	Other				
2006	\$ 5,634,018	\$ 1,711,745	\$ 88,562	\$ 521,445	\$ 408,120	\$ 94,898	\$ 8,268,992	24.6%	\$ 11,948,414
2007	6,455,428	2,038,024	94,071	539,399	516,510	175,127	9,468,305	22.6%	13,776,331
2008	7,225,029	2,289,632	87,044	542,373	552,823	169,374	10,527,527	21.2%	15,281,287
2009	7,305,104	2,310,099	92,796	560,547	555,366	150,023	10,673,889	22.0%	15,462,731
2010	8,674,364	2,684,598	130,830	537,966	754,470	142,853	12,639,375	19.4%	18,260,326
2011	8,627,768	2,756,925	125,976	534,482	728,378	127,395	12,646,134	20.1%	18,247,899
2012	8,645,964	2,804,094	120,976	557,086	725,531	78,620	12,775,031	20.3%	18,362,359
2013	8,674,127	2,788,338	111,746	590,562	718,851	74,791	12,808,833	20.9%	18,405,177
2014	8,722,720	2,740,715	118,106	586,822	724,286	86,229	12,806,420	21.7%	18,418,070
2015	7,590,578	2,815,260	148,133	605,011	744,898	79,493	11,824,387	24.3%	17,005,543

1. Source: City of Norwalk Assessor's Office.
2. The Grand list for the fiscal year would be October 1 prior to the start of the year. For example if the fiscal year begins July 1, 2005 the grand list is dated October 1, 2005.
3. Includes corrections.
4. State statute requires each municipality to revalue real property every five years and to conduct a mass appraisal once every ten years. Norwalk completed a revaluation in 2008 by an independent appraisal group.

City of Norwalk, Connecticut
Direct Governments ⁽⁵⁾
Last Ten Fiscal Years- *unaudited*

Fiscal Year Ended June 30	⁽²⁾ District 1	District 2	District 3	District 4	District 5	District 6	Motor Vehicle	General Government Services	General Obligation Debt Service	Total
2006	25.1	25.1	25.1	25.2	24.6	23.5	25.2	23.0	1.6	24.6
2007	23.2	23.2	23.2	23.2	22.6	21.5	23.2	20.9	1.7	22.6
2008	21.7	21.7	21.7	21.7	21.2	20.2	23.3	19.6	1.6	21.2
2009	22.5	22.5	22.5	22.6	22.0	21.0	23.6	20.4	1.6	22.0
2010	19.8	19.8	19.8	19.8	19.4	18.2	24.4	17.8	1.6	19.4
2011	20.5	20.5	20.5	20.6	20.1	18.9	25.2	18.6	1.5	20.1
2012	20.7	20.7	20.7	20.8	20.3	19.0	25.5	18.8	1.5	20.3
2013	21.3	21.3	21.3	21.4	20.9	19.4	26.2	19.2	1.7	20.9
2014	22.1	22.1	22.1	22.2	21.7	20.2	27.4	20.0	1.7	21.7
2015	25.0	25.0	25.0	25.1	24.3	22.4	28.2	22.8	1.5	24.3

1. Source: City of Norwalk Assessor's Office
2. The Grand list for the fiscal year would be October 1 prior to the start of the year. For example if the fiscal year begins July 1, 2005 the grand list is dated October 1, 2005.
3. Includes corrections.
4. State statute requires each municipality to revalue real property every five years and to conduct a mass appraisal once every ten years. Norwalk completed a revaluation in 2008 by an independent appraisal group.
5. The City has multiple districts that are provided services. The First District is downtown Norwalk, the second is South Norwalk, the third is East Norwalk, The fourth includes street lighting and garbage pickup, and the fifth includes no garbage but street lightning. The Sixth District (Rowayton) does not include fire services, garbage, or street lighting. A portion of the mileage goes back to their district office to provide certain services.

City of Norwalk, Connecticut
Principal Property Taxpayers - *unaudited*
June 30, 2015
(amounts expressed in thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Connecticut Light and Power	\$ 350,350	1	2.9%	\$ 50,502	2	0.5%
Merritt 7 Venture LLC	222,594	2	1.9%	164,682	1	1.7%
Thirty Five Glover Partners LLC	69,009	3	0.6%	46,108	5	0.5%
Metropolitan Life Insurance Company	65,992	4	0.6%	-		-
Twenty Five Glover Partners LLC	61,698	5	0.5%	48,717	3	0.5%
Yankee Gas Company	58,559	6	0.5%	-		-
Forty Five Glover Partners LLC	50,104	7	0.4%	-		-
RB Norwalk Owners	47,609	8	0.4%	-		-
Avalon Bay Communities Inc	43,487	9	0.4%	-		-
Norwalk Center LLC	43,284	10	0.4%	-		-
SP III River Park LLC	-		-	46,312	4	0.5%
Norden Place LLC	-		-	44,463	6	0.5%
Merritt River Residential LLC	-		-	32,414	7	0.3%
Factset Research System LLC	-		-	32,124	8	0.3%
Norwalk Power LLC	-		-	30,155	9	0.3%
Townsend Norwalk LLC	-		-	25,349	10	0.3%
Totals	<u>\$ 1,012,686</u>		<u>8.5%</u>	<u>\$ 520,826</u>		<u>5.5%</u>

1. Source: City of Norwalk Assessor's Office

City of Norwalk, Connecticut
Property Tax Levies and Collections
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Levy		Amount	Levy
2006	\$ 208,336	\$ 205,247	98.5%	3,081	\$ 208,328	100.0%
2007	216,242	213,174	98.6%	3,060	216,234	100.0%
2008	225,888	222,694	98.6%	3,169	225,863	100.0%
2009	236,584	232,474	98.3%	4,008	236,482	100.0%
2010	245,698	242,491	98.7%	3,098	245,589	100.0%
2011	256,901	253,070	98.5%	3,703	256,773	100.0%
2012	261,927	258,620	98.7%	3,134	261,754	99.9%
2013	270,616	266,442	98.5%	3,413	269,855	99.7%
2014	281,643	277,778	98.6%	2,489	280,267	99.5%
2015	294,159	290,306	98.7%	-	290,306	98.7%

1. Source: City of Norwalk Tax Collector's Office.
2. The amount collected each fiscal year represents collections for twelve months. Taxes for the fiscal year are laid on the grand list of October 1, and are due and payable in two installments one-half July 1 and one-half January 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent. If the installment is not paid by August 1, the tax becomes delinquent and a penalty of 1-1/2% per month (18% per annum) is charged from the due date. Real estate is liened for delinquent taxes within one year after the due date.

City of Norwalk, Connecticut
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Lease Revenue Bonds			
2006	\$ 171,865	\$ -	\$ 46,702	\$ 8,640	\$ 227,207	7.18%	\$ 2,691
2007	183,356	627	44,997	8,390	237,370	7.32%	2,814
2008	193,417	552	44,326	8,125	246,420	7.49%	2,953
2009	207,928	467	41,636	7,845	257,876	7.53%	3,038
2010	203,901	378	48,498	-	252,777	7.30%	3,016
2011	206,707	284	44,812	-	251,803	6.95%	2,940
2012	208,705	185	41,482	-	250,372	6.70%	2,896
2013	220,922	81	41,482	-	262,485	6.75%	3,233
2014	219,174	-	54,457	-	273,631	6.32%	3,117
2015	216,346	-	49,512	-	265,858	5.94%	3,016

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements
(2) Ratios are calculated using personal income and population data found in the Demographic and Economic section of statistical information.
(3) Total personal income is estimated based on the 2000 U.S. Bureau of Census and adjusting by 3% for each year.

City of Norwalk, Connecticut
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years - *unaudited*
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental General Obligation Bonds	Total Primary Government	Estimated Actual Value of Property	Per Capita
2006	\$ 171,865	\$ 171,865	1.44%	\$ 2,035
2007	183,356	183,356	1.33%	2,174
2008	193,417	193,417	1.27%	2,318
2009	207,928	207,928	1.34%	2,450
2010	203,901	203,901	1.12%	2,433
2011	206,707	206,707	1.13%	2,413
2012	208,705	208,705	1.14%	2,414
2013	220,922	220,922	1.20%	2,534
2014	219,174	219,174	1.19%	2,497
2015	216,346	216,346	1.27%	2,454

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements
- (2) Ratios are calculated using estimated actual value of taxable property shown within this section of statistical information
- (3) Ratios are calculated using population data found in the Demographic and Economic section of statistical information

City of Norwalk, Connecticut
Direct and Overlapping Governmental Activities Debt
For Fiscal Year 2015 - *unaudited*
(amounts expressed in thousands)

First Taxing District of the City of Norwalk (Water)	\$ 7,000 ⁽¹⁾
Second Taxing District of the City of Norwalk (Water and Electric)	<u>26,901 ⁽¹⁾</u>
Subtotal, overlapping debt	33,901
City of Norwalk direct debt	<u>265,858 ⁽²⁾</u>
Total direct and overlapping debt	<u><u>\$ 299,759</u></u>

1. The First Taxing District provides water to its residents and Second taxing district of Norwalk provides water and electricity for its residents and have received grants from the State of Connecticut which they must pay back.
2. Direct Debt See Note 6: Total Bonds and Notes Payable

City of Norwalk, Connecticut
Legal Debt Margin Information
Last Ten Fiscal Years - unaudited
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Debt										
Debt Limit	\$ 470,780	\$ 489,068	\$ 513,052	\$ 531,118	\$ 557,427	\$ 579,554	\$ 590,751	\$ 606,954	\$ 634,277	\$ 664,404
Total net debt applicable to limit	83,647	99,270	115,630	120,775	119,371	148,478	153,537	163,802	178,694	183,331
Legal debt margin	\$ 387,133	\$ 389,798	\$ 397,422	\$ 410,343	\$ 438,056	\$ 431,076	\$ 437,214	\$ 443,152	\$ 455,583	\$ 481,073
Total net debt applicable to the limit as percentage of debt limit	17.77%	20.30%	22.54%	22.74%	21.41%	25.62%	25.62%	26.99%	28.71%	27.59%
Schools										
Debt Limit	\$ 941,562	\$ 978,135	\$ 1,026,104	\$ 1,062,237	\$ 1,114,853	\$ 1,159,109	\$ 1,181,503	\$ 1,213,907	\$ 1,268,554	\$ 1,328,808
Total net debt applicable to limit	161,038	152,149	144,016	135,400	125,893	118,575	112,919	106,480	101,968	94,607
Legal debt margin	\$ 780,524	\$ 825,986	\$ 882,088	\$ 926,837	\$ 988,960	\$ 1,040,534	\$ 1,068,584	\$ 1,107,427	\$ 1,166,586	\$ 1,234,201
Total net debt applicable to the limit as percentage of debt limit	17.10%	15.56%	14.04%	12.75%	11.29%	10.23%	9.56%	8.77%	8.04%	7.12%
Sewers										
Debt Limit	\$ 784,634	\$ 815,112	\$ 855,086	\$ 885,197	\$ 929,044	\$ 965,924	\$ 984,586	\$ 1,011,589	\$ 1,057,128	\$ 1,107,340
Total net debt applicable to limit	45,018	46,153	54,398	93,190	90,305	76,423	85,037	64,984	59,303	54,610
Legal debt margin	\$ 739,616	\$ 768,959	\$ 800,688	\$ 792,007	\$ 838,739	\$ 889,501	\$ 899,549	\$ 946,605	\$ 997,825	\$ 1,052,730
Total net debt applicable to the limit as percentage of debt limit	5.74%	5.66%	6.36%	10.53%	9.72%	7.91%	8.64%	6.42%	5.61%	4.93%
Urban Renewal										
Debt Limit	\$ 680,017	\$ 706,431	\$ 741,075	\$ 767,171	\$ 805,172	\$ 837,134	\$ 853,308	\$ 876,711	\$ 916,178	\$ 959,695
Total net debt applicable to limit	8,946	9,680	20,458	20,469	24,013	20,309	21,312	21,591	21,534	21,747
Legal debt margin	\$ 671,071	\$ 696,751	\$ 720,617	\$ 746,702	\$ 781,159	\$ 816,825	\$ 831,996	\$ 855,120	\$ 894,644	\$ 937,948
Total net debt applicable to the limit as percentage of debt limit	1.32%	1.37%	2.76%	2.67%	2.98%	2.43%	2.50%	2.46%	2.35%	2.27%
Pension Funding (1)										
Debt Limit	\$ 627,708	\$ 652,090	\$ 684,069	\$ 708,158	\$ 743,235	\$ 772,739	\$ 787,669	\$ 89,271	\$ 845,703	\$ 885,872
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 627,708	\$ 652,090	\$ 684,069	\$ 708,158	\$ 743,235	\$ 772,739	\$ 787,669	\$ 89,271	\$ 845,703	\$ 885,872
Total net debt applicable to the limit as percentage of debt limit	0.00%									
Total										
Debt Limit	\$ 1,464,651	\$ 1,521,543	\$ 1,596,162	\$ 1,652,369	\$ 1,734,216	\$ 1,803,058	\$ 1,837,894	\$ 1,888,300	\$ 1,973,306	\$ 2,067,034
Total net debt applicable to limit	298,649	307,252	334,502	369,834	359,583	363,786	372,805	356,857	361,499	354,295
Legal debt margin	\$ 1,166,002	\$ 1,214,291	\$ 1,261,660	\$ 1,282,535	\$ 1,374,633	\$ 1,439,272	\$ 1,465,089	\$ 1,531,443	\$ 1,611,807	\$ 1,712,739
Total net debt applicable to the limit as percentage of debt limit	20.39%	20.19%	20.96%	22.38%	20.73%	20.18%	20.28%	18.90%	18.32%	17.14%

City of Norwalk, Connecticut
Legal Debt Margin Information (Continued)
For Fiscal For Fiscal Year 2015 - *unaudited*
(amounts expressed in thousands)

Total Fiscal Year 2015 tax collections (taxes, interest and fees)						\$ 295,276
Tax Relief for the elderly						15
Base for establishing debt limit						<u>\$ 295,291</u>
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Funding</u>	<u>Total</u>
Debt Limitation						
2 1/4 times base	\$ 664,404	\$ -	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	1,328,808	-	-	-	-
3 3/4 times base	-	-	1,107,340	-	-	-
3 1/4 times base	-	-	-	959,695	-	-
3 times base	-	-	-	-	885,872	-
7 times base	-	-	-	-	-	2,067,034
Total net debt applicable to limit	<u>183,331</u>	<u>94,607</u>	<u>54,610</u>	<u>21,747</u>	<u>-</u>	<u>354,295</u>
Legal debt margin	<u>\$ 481,073</u>	<u>\$ 1,234,201</u>	<u>\$ 1,052,730</u>	<u>\$ 937,948</u>	<u>\$ 885,872</u>	<u>\$ 1,712,739</u>

City of Norwalk, Connecticut
Demographic and Economic Statistics
Last Ten Fiscal Years - *unaudited*

Fiscal Year	Population	Personal Income (amount expressed in thousands)	Per Capita Personal Income	Median Family Income	Median Age	School Enrollment	Unemployment Rate
2006	84,437	\$ 3,166,556	\$ 37,502	(1)	39.0	10,923	3.8%
2007	84,344	3,243,449	38,455	(1)	(1)	10,782	3.6%
2008	83,456	3,288,834	39,408	(1)	(1)	10,616	4.1%
2009	84,877	3,368,451	40,362	(1)	(1)	10,748	6.5%
2010	83,802	3,462,280	41,315	(1)	(1)	10,883	7.7%
2011	85,653	3,620,467	42,269	(1)	(1)	11,065	7.9%
2012	86,460	3,736,974	43,222	(1)	(1)	10,881	6.6%
2013	87,190	4,173,779	47,870	(1)	(1)	10,840	6.9%
2014	87,776	4,327,886	49,306	(1)	(1)	11,078	5.4%
2015	88,145	4,476,462	50,785	(1)	(1)	11,124	5.6%

Data Sources

(1) Data not available for this particular year

(2) Total personal income and per capita personal income is estimated based on the 2011 U.S. Bureau of Census and adjusting by 3% for each year.

(3) School Enrollment is per the City of Norwalk Board of Education.

City of Norwalk, Connecticut
Principal Employers
Current Year and Nine Years Ago - *unaudited*

Employer	Nature of Business	2015			2006		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Western Connecticut Health Network (Norwalk Hospital)	Hospital/Health Services	2,000	1	3.2%	1,900	1	3.0%
GE Capital	Financial Services	1,900	2	3.0%	-		0.0%
City of Norwalk	Municipal Government	1,799	3	2.9%	1,799	2	2.9%
Cablevision of Connecticut	Cable Line Installation	1,380	4	2.2%	-		0.0%
Stew Leonard's	Retail Dairy Store / Grocery	900	5	1.4%	800	3	1.3%
MBI	Direct Mail Marketing	800	6	1.3%	800	3	1.3%
Diageo	Premium Beverage Manufacturer	700	7	1.1%	700	5	1.1%
Hewitt Associates	Management Consultants	600	8	1.0%	600	6	1.0%
Pepperidge Farm, Inc.	Baked Goods	450	9	0.7%	-		0.0%
Reed Exhibition Company	Trade Show Publisher	450	10	0.7%	450	10	0.7%
U.S. Surgical Corporation	Automatic Suture Instruments	-		0.0%	500	7	0.8%
Northup Grumman/Norden	Electronic & Radar Systems	-		0.0%	500	8	0.8%
Beiersdorf, Inc.	Personal Care Products	-		0.0%	450	9	0.7%
Total		10,979		17.5%	8,499		13.6%

(1) Source: City of Norwalk Redevelopment Authority

City of Norwalk, Connecticut
Budget Full-time Employees
Last Ten Fiscal Years - *unaudited*

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	48	49	48	48	45	45	47	47	47	47
Finance	34	35	35	35	34	34	34	35	35	34
Health & Welfare	21	21	21	21	16	16	16	16	16	16
Police	196	199	199	199	198	198	197	197	197	197
Fire	143	143	146	146	145	146	146	145	147	147
Other protection	43	45	45	45	43	43	43	43	43	43
Public Works & traffic	107	107	107	107	100	100	114	102	103	103
Education	1,320	1,353	1,343	1,343	1,331	1,325	1,310	1,236	1,259	1,163
Recreation, Arts & Cultural	54	54	54	54	51	51	51	49	50	49
Total	1,966	2,006	1,998	1,998	1,963	1,958	1,958	1,870	1,897	1,799

Data Sources: City Budget Office and Education Budget Office.

City of Norwalk, Connecticut
Operating Indicators by Function
Last Ten Fiscal Years (1) - *unaudited*

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Land records recorded	22,931	20,831	16,335	15,500	16,100	13,712	16,574	16,326	9,610	11,400
Vital records recorded	3,000	3,758	3,810	3,083	3,306	3,230	1,299	1,897	1,847	1,523
Dog licenses issued	2,165	2,339	2,360	2,540	2,700	2,556	2,650	2,504	2,583	3,200
Absentee ballots issued	664	1,667	1,667	500	1,613	659	3,484	3,332	1,081	595
Health & Welfare										
Food establishment inspections conducted	1,715	1,826	1,738	1,749	1,405	(2)	1,674	1,695	1,677	1,524
Septic systems and lots inspected	91	72	55	33	68	(2)	32	31	43	42
Beauty salons inspected	88	139	106	118	114	(2)	135	147	139	148
Police										
Calls for service	64,318	67,087	68,778	69,304	68,413	69,385	68,000	70,500	68,207	61,111
Criminal arrests	3,965	3,333	3,492	3,582	3,496	3,425	3,100	3,000	2,550	2,452
Traffic citations issued	6,065	6,593	6,786	6,882	6,237	5,150	6,600	9,510	7,324	5,984
Medical emergencies responded to	6,794	7,403	7,586	7,602	8,653	7,620	8,500	5,287	8,677	8,981
Marine assistance calls	246	202	200	206	167	212	215	215	342	294
Fire										
Fire calls	2,910	2,957	2,957	2,456	1,544	1,564	2,150	1,237	1,518	1,500
Medical calls	2,948	2,857	2,857	2,946	3,326	3,496	9,090	9,288	3,873	3,877
Fire alarms answered	(2)	(2)	(2)	(2)	1,058	1,045	473	1,453	1,518	1,143
Combined dispatch										
Emergency calls received	82,000	(2)	(2)	33,634	33,768	35,000	35,000	5,356	5,109	36,000
Non-emergency calls received	281,000	(2)	(2)	124,093	125,515	76,407	81,370	52,252	63,099	59,800
Public Works										
Lane miles of roadways swept	625	625	625	625	625	900	900	900	900	900
Tons of solid waste collected and disposed	94,125	85,312	77,163	53,445	32,350	27,258	25,131	24,927	23,716	23,179
Tons of recyclable materials collected and disposed	9,000	7,404	7,607	6,049	14,044	5,701	5,805	5,722	7,530	8,425
Recreation, Arts & Cultural										
Athletic contests played at City venues	25,000	26,000	26,000	30,000	30,000	30,000	30,250	30,250	31,000	31,000
Athletic activities practiced at City venues	5,000	5,500	5,500	10,000	10,000	10,000	12,000	12,000	11,600	11,600
Visitors to library	420,000	428,000	480,000	395,001	388,437	400,000	414,259	420,528	391,671	512,423

(1) Data is not available prior to fiscal year 2004

Data Sources: City Budget Office and City Departments

City of Norwalk, Connecticut
Capital Asset Statistics by Function
Last Ten Fiscal Years - *unaudited*

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Police cars	119	120	105	110	103	110	114	121	129	131
Marine vessels	3	3	3	3	3	3	3	3	3	3
Fire										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Miles of streets	625	625	625	625	625	625	625	625	625	625
Miles of sidewalks	125	125	125	125	125	125	125	125	140	140
Miles of sanitary sewers	180	180	180	180	180	180	180	180	182	182
Municipal parking spaces	3,973	3,973	3,973	3,973	3,973	4,019	4,225	4,225	4,225	4,225
Vehicles	171	210	119	119	272	307	326	331	334	337
Pump stations	24	24	24	24	25	25	25	25	25	25
Recreation, Arts & Cultural										
Acres of public park lands	1,050	1,050	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Public beaches	2	2	2	2	2	2	2	2	2	2
Boat launching areas	2	2	2	2	2	2	2	2	2	2
Municipal marinas	2	2	2	2	2	2	2	2	2	2
Athletic diamonds	41	41	41	41	41	41	41	41	42	42
Municipal golf courses (18 holes)	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Library branches	4	4	4	4	4	4	4	4	4	4
Library volumes ⁽²⁾	275,000+	259,788	248,718	261,401	262,905	257,463	(1)	260,832	267,788	267,483
Public museums	3	3	3	3	3	3	3	3	3	3

(1) Not available

(2) Includes only the 2 libraries that are funded within the City of Norwalk entity

Data Source: City of Norwalk Departments

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